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# ***Daily Report***

## **China**

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FBIS-CHI-92-077

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21 April 1992

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### UN ESCAP Continues 48th Session in Beijing

#### To Strengthen Environmental Ties

OW2004140592 Beijing XINHUA in English  
1353 GMT 20 Apr 92

[Text] Beijing, April 20 (XINHUA)—Asia-Pacific nations, which are anticipating the success of the forthcoming United Nations Conference on Environment and Development (UNCED) to be held in Rio de Janeiro in June, have vowed to strengthen cooperation in environmental affairs.

Representatives participating in the on-going 48th session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) have reiterated concern over the world's worsening environment.

A representative from the Maldives, an island nation in the Indian Ocean, said his country is highly conscious of its fragile environment, and has taken steps to ward off perils which might result from a predicted rise in the level of the sea.

He said the Maldivian Government has supported a number of initiatives designed to create an awareness of the fragility of the world environment. "We will also voice our concern at the forthcoming earth summit," he added.

Koji Kakizawa, head of the Japanese delegation, said that the survival of humanity is threatened by continued damage to the global environment, which manifests itself in the form of global warming and a deteriorating ozone layer.

Kakizawa said that Japan will continue to make use of its vast experience and technical expertise related to pollution control and other environmental concerns. He added that Japan will promote the achievements of the ministerial-level conference on the environment in Asia and the Pacific held in Tokyo last July, to contribute to the success of the forthcoming Rio de Janeiro meeting of UNCED.

A statement issued by the delegation from New Zealand said the natural environment is one of its country's most precious treasures, and New Zealanders are acutely conscious of the cause and effect of many environmental and developmental problems which transcend national boundaries. Therefore, according to the statement, "a global response is required."

The statement went on to say that "for this reason the New Zealand Government attaches the highest priority to the success of the UNCED."

Sardar Asif Ahmad Ali, Pakistani minister of state for economic affairs, told participants in the conference that environmental considerations are now being included in Pakistan's development planning. He said the Pakistani

Government has instituted a series of measures concerning environmental problems despite severe financial limitations and constraints.

Yi Sang-ok, foreign minister of the Republic of Korea, said that in order to ensure better international cooperation, any global environmental strategy should be accompanied by a durable and workable mechanism for funding and technology transfers.

Yi noted the requirement for such a mechanism to ensure the successful implementation of environmentally sound and sustainable development in developing countries. He also suggested that a study regarding the establishment of a cooperative program for northeast Asian countries be conducted in the near future.

Tomas Padilla, undersecretary of foreign affairs of the Philippines, said that in developing countries the problem of environmental degradation must be addressed through concerted action at all levels—national, regional and global.

Indian Deputy Minister of Commerce Salman Khurshed said that in light of the absence of adequate, new or additional funding, and the lack of environmentally favorable technologies which are available on a preferential and non-commercial basis, it will be exceedingly difficult for developing countries to adopt environmentally safe technologies.

He stressed that in light of this a global partnership is needed to effectively tackle environmental problems.

Zahiruddin Khan, minister for planning of Bangladesh, noted that all eyes are focused on the forthcoming conference in Rio de Janeiro. However, there is apprehension that projects in developing countries which fulfill environmental criteria will receive unconditional aid, he said.

Malaysian minister of justice Syed Hamid bin Syed Jaafar Albar said that environmental concerns in the region should be balanced with the need for economic development and growth. He shared the view of other delegates that the environment should not be used "as a condition for investment, or trade and development assistance."

One Chinese delegate noted that underdevelopment represents one of the main causes of the region's deteriorating environment. He said that economic development is a prerequisite for solving the region's environmental problems and for the region's developing countries to participate fully in global environmental cooperation.

In addition, he said that any environmental protection measures in the region must be drafted in line with regional characteristics, and should emphasize regional cooperation.

Delegates from industrialized countries and international organizations also expressed their deep concern over the environmental issue.

The British delegation noted that wealthier countries have created many problems which should now be solved. He stressed that the United Kingdom acknowledges its responsibility in this regard.

As an early contribution to the Rio Summit, the delegation announced that Britain now supports "stabilizing carbon dioxide emissions at 1990 levels, much earlier than the existing conditional target of 2005, provided that other countries undertake similar action."

The British delegate also said that "wealthier nations must be ready to provide support to countries in need."

Ambassador Pierre Duchateau, head of the delegation from the commission of European Communities, said industrialized countries should accept their responsibility in global environmental degradation, and must demonstrate leadership in addressing the issue.

Meanwhile, he added that developing countries must accept responsibility for local and regional environmental conditions and create domestic conditions for sustainable development.

The European Community invested over 99 million ECU [Economic Community unit] on environmental projects in developing countries alone during 1991, according to the ambassador. He added the figure represents "much of what has been invested in the ESCAP region."

Duchateau pointed out that "at least 10 percent of our total assistance to Asian and Latin American countries over the next five years will be devoted to the environment." He said the European Community will take an active part in environmental projects in the Asia-Pacific region.

#### Views Problems of LDCs

OW2004193792 Beijing XINHUA in English  
1553 GMT 20 Apr 92

[Text] Beijing, April 20 (XINHUA)—Delegates from a dozen countries, regions and international organizations voiced support today for reviving the economies of the world's least developed countries (LDCs), and called for priority to be placed on projects involving these countries.

Participants in today's meeting of the ongoing 48th session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) discussed special problems faced by the world's least developed countries.

The delegates also reviewed the implementation of the program for action in the countries during the 1990s, which was adopted by the United Nations last year.

The thirteen countries now identified as the world's least developed countries are mainly located in areas subject to natural disasters. Recent statistics show the countries have amassed a total debt of over 86.3 billion U.S. dollars.

A number of delegates noted that despite the fact that the Asian-Pacific region on the whole has witnessed relatively rapid economic growth during the past few years, the least developed countries experienced low economic growth.

The delegates pointed out that development of the entire region can only be accelerated as long as development of the region's least developed countries is promoted.

They noted that while the region's least developed countries are able to develop themselves to an extent, certain external conditions are also essential to ensure their development. In addition, according to the delegates, international cooperation should conform to the policies in these countries.

One Chinese delegate said that, at present, the economies of the region's least developed countries are continuing to decline, and the economic bases in the countries are fragile. At the same time, the countries are hit by frequent natural disasters and face unfavorable external economic conditions.

He pointed out that the international community is responsible for helping these countries overcome difficulties. He also noted that the 1990s program of action for the least developed countries highlights measures which express the will of the international community.

He called on all countries, regions and the international community to join in an effort to aid in the economic recovery of the least developed countries by expanding investment, and reducing and exempting debts. "This is an important step toward the common development of the Asian-Pacific region," he added.

On Saturday and Sunday, the delegation leaders joined a small group of delegates and officials from the ESCAP secretariat on a visit to Shanghai, the birthplace of ESCAP.

#### Jiang Remarks on World Order Cited

OW2004150992 Beijing XINHUA in English  
1450 GMT 20 Apr 92

[Text] Beijing, April 20 (XINHUA)—U.N. Under-Secretary-General Ji Chaozhu said here today that the United Nations has been working for the establishment of a peaceful, stable and fair international order which will allow all countries to enjoy the right of economic development.

Ji, who accompanied U.N. Secretary-General Butrus Butrus Ghali on his recent visit to China and is attending the 48th session of the U.N. Economic and Social Commission for Asia and the Pacific, noted that participants in the meeting have called for the establishment of a fair and equitable new world order.

He also noted General Secretary of the Chinese Communist Party Jiang Zemin's recent remarks on the urgent need for the establishment of such an order.

"All these are fully in line with the goals of the United Nations," Ji said.

Pointing to the effective measures the United Nations will undertake to ensure the establishment of a new international political and economic order, Ji said that a comprehensive approach will be applied to dealing with world problems. He added that relevant U.N. institutions are engaged in highly coordinated efforts to help all nations who are promoting economic development and social progress.

Ji said one of the responsibilities of the social development department, which he directs, is to provide systematic socio-economic analysis to the United Nations in order to facilitate U.N. aid to developing countries.

Speaking of the positive impact of rapid economic growth in the Asia-Pacific region on the world economy, Ji called the current world economic situation "worrisome," and referred to the situation in the Asia-Pacific region as "gratifying and encouraging."

When asked to assess China's contribution to the U.N. peace-keeping operations and to regional economic and social development, Ji said the United Nations highly appreciates China's positive efforts in this regard, and he expects China to play an even larger role as a permanent member of the U.N. Security Council.

Ji, a former Chinese diplomat, was appointed U.N. under-secretary-general in January, 1991.

#### **Bangkok Proposed for Next Session**

OW2104111292 Beijing XINHUA in English  
1021 GMT 21 Apr 92

[Text] Beijing, April 21 (XINHUA)—The 49th session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), is expected to be held at the newly-built ESCAP center in Bangkok, Thailand, during the first half of next year.

This is a draft resolution proposed by the Chinese delegation at today's plenary meeting of the on going 48th ESCAP session.

The draft resolution would have the 49th session to discuss as its theme the development of trade, investment and infrastructure within the ESCAP region.

Bankok is where the ESCAP is headquartered.

Thai delegation said at today's session that Thailand welcomes the draft resolution and hopes all members of the ESCAP will attend the 49th session.

#### **UN Chief Meets Officials**

OW1604125492 Beijing XINHUA in English  
1229 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—Butrus Butrus Ghali, secretary-general of the United Nations, met on separate occasions with Guseynaga Musa Sadykhov,

foreign minister of Azerbaijan, and Koji Kakizawa, [Japanese] parliamentary vice-minister for foreign affairs, here today.

Sadykhov and Kakizawa are in Beijing attending the on-going 48th Session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

#### **Vice Minister: Country To Join GATT 'Soon'**

HK2104071992 Hong Kong MING PAO in Chinese  
16 Apr 92 p 53

["Special dispatch" from Guangzhou: "Gu Yongjiang, Vice Minister of Foreign Economic Relations and Trade, Stresses China Will Join GATT Soon"]

[Text] In an interview with MING PAO yesterday, Gu Yongjiang, vice minister of foreign economic relations and trade, said that consideration of China's application to join the GATT has been completed and that China will join this international organization very soon.

Mr. Gu said: After China joins GATT as a sovereign state, Taiwan can also join it as a local organization. But Beijing has a principle, that is, China must first join the GATT as a sovereign state.

He said: After China ended foreign trade subsidies last year, facts in a certain period showed that the export institutions in various provinces and municipalities can stand the test of history. Last year, all local export companies achieved positive economic results under the principle of bearing responsibility for their own profits and losses.

Mr. Gu said that China's imports continued to increase in the first quarter of this year. Last year, China's import and export trade with Hong Kong accounted for about one-third of the country's total volume of import and export trade, and this year's situation is expected to be essentially the same.

The Ministry of Foreign Economic Relations and Trade has laid down a new rule on China's textile exports to the United States. As of 1 May this year, exporters will have to write down the name and address of the manufacturers when exporting textile goods to the United States so that the U.S. side can better investigate any possible illegal entrepot trade. Mr. Gu stressed that China always honors contracts and hopes to continue developing trade with the United States.

Mr. Gu said: After ending export subsidies and requiring exporters to bear responsibility for their own profits and losses, the disorderly situation in export business and the phenomena of disregarding product quality and irregularly contending with each other for exporting goods were on the decrease, because no one dared take such risks. In the future, China may reduce its primary product exports and increase exports of more sophisticated manufactured goods.

**Asian Nations See 'Slow Pace' at Uruguay Round***OW1604160292 Beijing XINHUA in English  
1540 GMT 16 Apr 92*

[Text] Beijing, April 16 (XINHUA)—Representatives of several Asian countries, which are in the process of structural reform and opening up their economies to the rest of the world, today expressed concern over the slow pace of the Uruguay Round of multilateral trade negotiations.

As leaders of delegations to the current 48th Session of the U.N. Economic and Social Commission for Asia and the Pacific, they were speaking at a general debate of the session here today.

Dasho Sangay Ngedup, representative of the Kingdom of Bhutan, said "we are dismayed by the failure to reach agreement at the Uruguay Round of multilateral trade negotiations, at the growing tendency towards protectionism, and the growth of regionalism and associated trading blocs."

"While such trends affect us indirectly at present," he said, "we are concerned that as our economy grows increasingly more open, we will soon be directly affected."

Vice-Chairman Ram Sharan Mahat of the Nepalese National Planning Commission, said his country perceives the Uruguay Round as an opportunity to strengthen the multilateral trading system at a time when a continued drift towards protectionism has posed a threat to the balanced expansion of world trade.

Therefore, he said, "We are eager to see the successful completion of the Uruguay Round at the earliest and hope for its outcome to be equitable and balanced, as we believe that the round is a major step towards reversing a protectionist trend and establishing a more effective international trade regime."

Vu Khoan, Vietnamese vice minister for foreign affairs, said prospects for better economic relations have been blurred by the fears that the Uruguay Round might fail and the tide of protectionism might rise.

Vietnam holds the view that the best way to build a new world is to respect the independence, sovereignty and interests of the large and small nations alike and to work together for cooperation and development, he said.

The trend of stability and cooperation is developing in South-East and North-East Asia, which had been "hotbeds of tension" during the last nearly fifty years, he noted, adding that the trend of cooperation "will prevail offering new opportunities for development in our region" and Vietnam will do its utmost to contribute to such cooperation.

"We are determined to go on with the cause of renewal which is clearly reflected in the amended constitution approved by the National Assembly earlier this month," he said.

**UN Agreement Signed on Industrial Development***OW2004080392 Beijing XINHUA in English  
0729 GMT 20 Apr 92*

[Text] Beijing, April 20 (XINHUA)—An agreement on the second phase of the United Nations Industrial Development Organization (UNIDO)-Beijing Center of Industrial Cooperation for 1992 and 1993 was signed here today.

Chinese Vice-Minister of Foreign Economic Relations and Trade Tong Zhiguang and visiting Director-General of the UNIDO Domingo L. Siazon signed the document.

Before the signing ceremony, Tong and Siazon held talks on bilateral cooperation.

Siazon and his party arrived here on April 18 at the invitation of the Chinese ministry.

**ADB Loans Total 1 Billion U.S. Dollars in 1991***OW1904181192 Beijing XINHUA in English  
1610 GMT 19 Apr 92*

[Text] Manila, April 19 (XINHUA)—The Asian Development Bank approved 14 loans to China in 1991, totalling 1,002.2 million U.S. dollars, according to its 1991 annual report released today.

During the year, contracts amounting to 243.8 million U.S. dollars were awarded, bringing the cumulative contracts amount to 411 million U.S. dollars or 63 percent of the net effective loan amount.

Disbursements amounted to 172.7 million U.S. dollars, compared to 55 million U.S. dollars in 1990. Cumulative disbursements stood at 282.9 million U.S. dollars or 43 percent of the total net effective loan amount.

In addition, two new equity investments totalling 14.3 million U.S. dollars equivalent were approved in 1991, bringing to three the cumulative number of investments amounting to 17.3 million U.S. dollars equivalent by the end of the year.

**Chinese, Foreign Experts Discuss Economic Reform***OW2104104292 Beijing XINHUA in English  
1028 GMT 21 Apr 92*

[Text] Beijing, April 21 (XINHUA)—Over 30 Chinese and foreign experts and scholars from 17 countries gathered today in Beijing to discuss the major issue on changing the mechanism of economic operation.

Chen Jinhua, minister in charge of the State Commission for Restructuring the Economy, said at the opening of the interregional seminar on linkages of micro-economic reforms and macro-economic adjustment in transitional centrally planned economics, the '90s are full of challenges and opportunities.

"It is now a big subject for every country to raise economic efficiency, strengthen competitiveness and to achieve stable

economic growth, through reforms and adjustment of mechanism on economic operation according to their own national realities," said the minister.

Chen told the seminar, China is politically and socially stable at present with a vigorous economic development and a fairly favorable international environment.

"China should seize the opportunity to push forward reform and open wider to the outside while focusing our attention on developing the country's economy," Chen added.

Ji Chaozhu, under secretary-general of the United Nations, said that linkages of micro-economic reforms and macro-economic adjustment in transitional centrally planned economics is a significant subject both to the United Nations and the whole world.

Included in the comprehensive proposals the United Nations has provided for accelerating reform, are the seminars and projects on the implementation of adjustment in transitional centrally planned economics, according to the under secretary-general.

"We expect the seminar to be a forum for new reform procedures and widening our thinking on policy adjustment and their comprehensive implementations," the under secretary-general added.

Yuan Mu, director of the Research Office of China's State Council, said, China is studying how to speed up the economic reforms on changing management mechanisms, the relation between central planning and market, and changing the functions of the government.

A participant from Russia introduced the social policies of his country during its economic reforms, while Isamu Miyazaki, chairman of Daiwa Institute of Research Ltd, delivered a speech on the function of the Japanese Government on controlling inflation and unemployment during its transition toward a market economy.

#### **XINHUA Reports High-Level U.S. Kiev Visit**

OW1404011792 Beijing XINHUA in English  
0054 GMT 14 Apr 92

[Text] Washington, April 13 (XINHUA)—A high-level team of U.S. officials left here today for Kiev to arrange the first visit to Washington by a Ukraine president and discuss the Ukraine-Russia dispute over military issues, the U.S. State Department said.

"The United States is sending a small, high-level team to Kiev to discuss the full range of political, economic and security issues in our relations, and to help prepare for President (Leonid) Kravchuk's visit to Washington on May 6," State Department Spokeswoman Margaret Tutwiler said.

The team is headed by Dennis Ross, director of the State Department's policy planning staff; Defense Department

Undersecretary Paul Wolfowitz and Ed Hewett, the National Security Council's senior director on former Soviet republics.

The visit of U.S. officials coincided with increased tension between Ukraine and Russia over the ownership of the Black Sea fleet and Ukraine's suspension of shipping battlefield nuclear weapons to Russia for destruction.

On Saturday, the four former Soviet republics with nuclear weapons—Russia, Ukraine, Kazakhstan and Belarus—failed to agree on how to implement the strategic arms reduction treaty between the United States and the Soviet Union.

The United States has urged former Soviet republics except Russia to carry out their promises of becoming nuclear-free nations and U.S. Secretary of State James Baker on Friday warned Kiev that it would risk losing western aid unless it resumes shipping battlefield nuclear weapons to Russia.

Tutwiler said that the U.S. team would return on Wednesday.

#### **Bush Meets Polish Prime Minister in Washington**

OW1404021892 Beijing XINHUA in English  
0123 GMT 14 Apr 92

[Text] Washington, April 13 (XINHUA)—U.S. President George Bush today met with Polish Prime Minister Jan Olszewski to discuss Poland's economic and political developments and the situation in Europe, the White House said.

A White House statement said that Olszewski outlined his government's economic reform program and Bush reaffirmed his support for reforms in Poland.

Olszewski, who became prime minister in January, worried the Western nations by undertaking to ease the austere economic reforms prescribed by the West. But under pressure from Western creditors, his government recently returned to the course of painful market reforms.

The Polish prime minister is also going to New York and Chicago during his three-day private visit which started today.

#### **United States & Canada**

##### **Vice Premier Wu Xueqian Meets Canadian Minister**

OW2004124292 Beijing XINHUA in English  
1217 GMT 20 Apr 92

[Text] Beijing, April 20 (XINHUA)—Chinese Vice-Premier Wu Xueqian met with Michael H. Wilson, minister of international trade and industry, science and technology of Canada, and his party here this afternoon.

In the evening, Li Lanqing, Chinese minister of Foreign Economic Relations and Trade (MOFERT), hosted a banquet for the Canadian visitors.

Earlier today, Vice-Minister of MOFERT Tong Zhiguang held talks with Wilson, exchanging views on expanding Sino-Canadian economic relations and trade.

#### **Bush Cites Nixon on U.S. Need for 'Open World'**

*OW2104044392 Beijing XINHUA in English  
0419 GMT 21 Apr 92*

[Text] Washington, April 20 (XINHUA)—President George Bush said today that the United States needed an open world to profit from other nations economically, intellectually, culturally and spiritually.

He was speaking at the opening of an international flower show in Columbus, Ohio, to mark the 500th anniversary of Christopher Columbus' arrival in America.

Bush said Columbus took the first step in a trek that ultimately produced the United States of America. He added, "We Americans celebrate discovery because we're never satisfied, because we are ever romancing the next horizon."

The President praised the values of the individual and human dignity. "In 1492 those values sustained Columbus' voyage."

He said, "We think that the individual can make a difference, and that human dignity can indeed change the world. And most of all, we know that dignity stems from values like hard work and self-reliance and faith."

Bush said he was going to talk about the world economy and how it could grow in the decade ahead. The United States needed "an open world, open cities, open hearts, open minds," he quoted the former President Richard Nixon as saying.

"And only then can we not merely trade with other nations, but profit from other nations—profit economically, intellectually, culturally, and spiritually."

He said the United States was always ready to compete in world markets by investing more in research and development, in new technology and in education.

Bush flew to Columbus today after spending an Easter holiday at Kennebunkport, his vacation home in Maine. Columbus is the largest city in the world bearing the Italian explorer's name.

The commemorative flower display came one day after 82 ships sailed out of Columbus' hometown of Genoa, Italy, on a transatlantic journey to mark the anniversary.

The fleet will visit the U.S. ports of New York and Boston after calling at Cadiz, Spain, the Canary Islands and Puerto Rico.

Spain sponsored Columbus' exploration.

#### **U.S. State Department Spokesman Gives Briefing**

##### **Denies 'Secret Policy' in Arms Transfer**

*OW2004225492 Beijing XINHUA in English  
2203 GMT 20 Apr 92*

[Text] Washington, April 20 (XINHUA)—The U.S. State Department denied today that the U.S. administrations had a secret policy of allowing U.S.-made arms transfer from Saudi Arabia to Iraq in 1980s.

But the department acknowledged that Saudi Arabia had let Syrian and Bangladeshi troops bring home with [as received] "small amounts of non-lethal" U.S. military equipment "inadvertently" last year after the Gulf war.

THE LOS ANGELES TIMES reported on Saturday that the Reagan and Bush administrations secretly allowed Saudi Arabia to transfer an undisclosed number of 2,000-pound U.S.-made bombs among other material to Iraq in 1986.

The paper also said the U.S. Administration had not notified the Congress that Saudi Arabia transferred U.S.-made armored vehicles to Syria and armored personnel carriers to Bangladesh after the Gulf war ended.

Richard Boucher, deputy spokesman of the State Department, said after the war, the United States had reports that "small amounts of non-lethal" U.S. military equipment being used by Syrian and Bangladeshi troops during the war remained with them after the war.

"The United States immediately brought these reports to the attention of Saudis, and we reminded them of their obligations under the Arms Export Control Act and bilateral agreements concluded under the Arms Export Control Act," Boucher said.

"They told us that these transfers were inadvertent," he said. "The Department of State provided prompt notification of these unauthorized transfers to the Congress."

"So therefore, reports that we failed to notify the Congress are false," he added.

But he refused to say what type of U.S. military equipment the Syrian and Bangladeshi troops had brought home with.

Meanwhile, the spokesman said "there was no such policy" in the Reagan and Bush administrations that the United States secretly approved the transfer of military equipment from Saudi Arabia to Iraq in 1986.

Such reports "are completely false," he said.

However, the spokesman admitted "We received reports that Saudi Arabia may have transferred to Iraq some U.S.-origin equipment, along with large quantities of non-U.S.-origin equipment, in 1986."

But he refused to elaborate on the question.

Senate Majority Leader George Mitchell said on Sunday that he had not been informed of any such transfers, and he did not know whether other members of the Congress were told.

Mitchell also said the Senate will investigate such allegations.

#### **Views 'Rival' Peruvian Government**

OW2004233592 Beijing XINHUA in English  
2316 GMT 20 Apr 92

[Text] Washington, April 20 (XINHUA)—The United States will continue to contact with the government of Peruvian President Alberto Fujimori and will not recognize a rival government led by Vice President Maximo San Roman, the U.S. State Department said today.

San Roman is expected to be named president by Peru's dissolved Congress during a special session on Tuesday.

Asked about U.S. position on the issue, Richard Boucher, deputy spokesman of the State Department, said the U.S. Administration would not conduct state-to-state diplomatic business with San Roman.

"We continue to deal with the government of Fujimori, because that is current government," Boucher said.

President Fujimori suspended the Peruvian Constitution and dissolved the Congress on April 5 in order to fight economic crisis, drug trafficking and terrorism.

But foreign ministers of the Organization of American States (OAS) members approved a resolution on April 13, calling on President Fujimori to restore the constitution.

And a special OAS delegation, led by OAS Secretary General Joao Baena Soares and Uruguayan Foreign Minister Hector Gros Espiell, will arrive in Lima on Tuesday to discuss with Fujimori about how to carry out the OAS resolution.

"Vice President San Roman has a role to play in these consultations and we understand that he may meet with the OAS delegation," Boucher said.

#### **Central Eurasia**

**Technological Accord Signed With Estonia 20 Apr**  
OW2104041192 Beijing XINHUA in English  
0117 GMT 21 Apr 92

[Text] Helsinki, April 20 (XINHUA)—China and Estonia signed an agreement on scientific and technological cooperation today in the Estonian capital of Tallinn.

Under the agreement, the two countries are to further boost scientific and technological cooperation in line with the principles of equality and mutual benefit.

Experts from the two countries will hold science and technology seminars, the agreement stated.

Estonian Economics Minister Heido Vitsur and Hui Yongzheng, Chinese vice minister in charge of the State Science and Technology Commission, signed the accord on behalf of their respective governments.

Before the signing ceremony, Vitsur and Hui held talks on bilateral cooperation in science and technology, with particular emphasis on the utilization of oil shale.

The Chinese delegation headed by Hui arrived in Tallinn on April 19 for a two-day visit.

#### **Russian Congress Recognizes Legality of CIS**

OW2104035692 Beijing XINHUA in English  
0119 GMT 21 Apr 92

[Text] Moscow, April 20 (XINHUA)—The Russian Congress today recognised the Commonwealth of Independent States (CIS) as a "new legal and political form of a voluntary union of sovereign states," ITAR-TASS reports.

On a vote of 548-158, with 136 abstentions, the Sixth Congress of the People's Deputies approved a resolution "on the political position of the Russian Federation in the CIS."

The main task of Russia in the commonwealth, the resolution says, is to broaden its legal basis, ensure the civil rights and freedom of ethnic Russians who live in other former Soviet republics, promote the preservation of a single economic space, avoid conflicts and maintain the political, economic and military-strategic interests of the Russian Federation.

The debate continued for the whole day. At the afternoon session the deputies discussed the social and economic situation in the extreme north and similar regions. The congress is expected to finish its work tomorrow.

#### **XINHUA Reports Russia Frees Gasoline Prices**

OW2004114992 Beijing XINHUA in English  
1133 GMT 20 Apr 92

[Text] Moscow, April 20 (XINHUA)—The Russian Government decided to lift controls on gasoline prices which will grow five fold as from today, ITAR-TASS reported today.

As a result, the price is now six rubles per litre for gasoline of A1-93 grade, five rubles for A-76 and diesel fuel, and seven rubles for A1-95.

**Northeast Asia****Japanese Minister Watanabe Continues Visit****Meets Jiang Zemin, Li Peng**

*OW2004134692 Beijing XINHUA in English  
1337 GMT 20 Apr 92*

[Text] Beijing, April 20 (XINHUA)—General Secretary Jiang Zemin of the Chinese Communist Party and Premier Li Peng met with Kozo Watanabe, visiting Japanese minister of International Trade and Industry [MITI], and his party on separate occasions here today.

According to a Chinese official attending the meetings, Watanabe passed on letters from Japanese Prime Minister Kiichi Miyazawa to Jiang and Li.

Watanabe is regarded as an old friend of the Chinese people in China. Jiang and Li expressed the appreciation for the efforts Watanabe has made for the restoration of Sino-Japan diplomatic relations and the development of bilateral relations during the past more than two decades.

During his meeting with Watanabe, Jiang expressed the hope that on the occasion of the 20th anniversary of restoration of Sino-Japanese diplomatic relations, the two countries will, through high-level contacts, further promote the good-neighborly and friendly relations and the mutually beneficial cooperative relations in various fields.

Jiang said, China is now striving for modernization and is willing to learn from Japan's advanced science and technology and management experience.

He expressed thanks to the government and the people for their warm hospitality during his visit to Japan not long ago.

Li Peng stressed during his meeting with the minister that the two countries should regard the occasion of celebrating the 20th anniversary as a good opportunity to further promote the mutually beneficial cooperative relations in various fields.

At the request of the minister, Li briefed the guests on China's relations with the United States and the members of the Commonwealth of Independent States. The premier also expounded the principled stands concerning the issues including restoration of China's status as a signatory state in the the General Agreement on Tariffs and Trade, disarmament and human rights.

Watanabe said that he was deeply impressed by the efforts China has made to speed up and expand its reform and opening to the outside world.

He said, the visit to Japan by the general secretary not long ago was very successful and also promoted the development of bilateral relations.

Japan is willing to further strengthen cooperation with China in the fields of energy, environmental protection and technology, Watanabe noted.

Japan and China play an important role in the economic life in asia, Watanabe said. Therefore, he added, strengthening economic cooperation between the two countries will be of great significance to the regional economic development.

Kozo Watanabe and his party arrived here Friday as guests of Li Lanqing, minister of foreign economic relations and trade.

**Supports Bid to Join GATT**

*OW2004130392 Tokyo KYODO in English 1233 GMT  
20 Apr 92*

[Text] Beijing, April 20 KYODO—Visiting Japanese Trade Minister Kozo Watanabe told Chinese Premier Li Peng on Monday that Japan will support China's bid to soon join the General Agreement on Tariffs and Trade (GATT).

Watanabe also promised to make further efforts to strengthen the bilateral relationship and technological cooperation in such fields as energy and environmental protection, according to Japanese officials accompanying Watanabe.

The officials said Watanabe told Li that Japan hopes China and Taiwan will join the world trade organization as early as possible. He also suggested that Japan wants China to become a member of GATT at the same time as Taiwan, just as it did when both countries applied for membership in the Asian Pacific Economic Cooperation (APEC) organization.

Li reportedly replied that he thinks GATT membership is very important for both China and its trading partners, because Chinese international trade has increased rapidly as a result of its economic reforms and liberalization.

China will not oppose Taiwan's acquiring GATT membership if it does so as a region, but China has to be the first member to join as a sovereign country, Li was quoted as saying.

Touching on the Sino-Japan relationship, Li expressed his thanks to Japan for offering financial cooperation for Beijing's large-scale exploration of oil and natural gas resources in western China.

Watanabe offered the plan earlier in the day when he met with Chinese Communist Party chief Jiang Zemin. Li praised the Japanese offer as a fruit of Jiang's visit to Tokyo earlier this month, the Japanese officials said.

Li also told Watanabe that China sees the United States as a major trade partner, and wants to maintain a good trade relationship.

But Li criticized the U.S. as pushing China to accept a one-sided approach to human rights, according to the Japanese officials.

Li also said that China's arms exports are to those who need weapons for self-defense purposes. When exporting arms, China follows international principles, taking into consideration the world's balance of military power, Li told Watanabe.

China welcomes debates on arms exports on a fair and equal basis, but cannot accept one-sided accusations, Li was quoted as saying.

Watanabe reportedly commented that regarding the Sino-U.S. dispute on human rights, China needs to take other countries' opinions into consideration and solve the problem step by step, according to the Japanese officials.

#### **DPRK Foreign Ministry Group Visits Liaoning**

SK2104032592 Shenyang LIAONING RIBAO  
in Chinese 20 Mar 92 p 1

[By reporter Sun Qiao (1327 2890) "Zhang Rongmao Meets the Goodwill Delegation of the DPRK Ministry of Foreign Affairs"]

[Text] On the evening of 18 March, Zhang Rongmao, vice governor of the provincial people's government, received and feted in the Liaoning Friendship Guesthouse the goodwill delegation of the DPRK Ministry of Foreign Affairs, which is headed by Cha Pong-chu, vice minister of foreign affairs. Attending the reception were responsible personnel, including Sui Xudong, director of the provincial foreign affairs office.

During the reception, Vice Governor Zhang Rongmao informed the honored guests of the achievements scored by the province in conducting reform and opening to the outside world and also reviewed exchanges and cooperation between the province and the DPRK. Cha Pong-chu, DPRK vice minister of foreign affairs, also delivered a speech in which he praised the province's achievements, expressed that the friendship between the people of China and the DPRK will be further enhanced through their visit, and hoped that the exchanges and cooperation between the province and the DPRK will be also strengthened.

The five-member goodwill delegation of the DPRK Foreign Affairs Ministry arrived in Shenyang city on the evening of 17 March. During their stay in the city, the delegation will visit the Shenyang cable plant and the Beihang farm products market.

#### **DPRK Developments in Computer Industry Viewed**

SK1704135892 Beijing Radio Beijing in Korean  
1100 GMT 15 Apr 92

[Unattributed talk: "Development of Electronic Industry in DPRK"]

[Text] A sealed up building decorated with glass is shining at the foot of a small hill in Pyongyang's Mangyongdae district. This is the largest electronic computer center in the DPRK. According to Yi Chun-yong, adviser to this center, its floor space is approximately 23,000 square meters. Located in this building are an automation office, automatic designing office, lighting design office, computer room, telecommunications research office, robotics research office, artificial intelligence research office, hardware research office, and other research offices.

This center has approximately 200 technological functionaries. All facilities in this center were imported from the United States and Japan.

Comrade Yi Chun-yong has said frankly that, because the DPRK began researching the computer field relatively late, the DPRK is accelerating its development of this sector. He said that the DPRK party and Government decided to establish this electric computer center with relatively high standards. Noting that this center has three important tasks, he said that the first task is to serve to modernize the nation's economy and to apply science to the national economy, the second is to foster technological functionaries for various areas, and the third is to carry out technological exchanges with foreign countries.

This center was founded in October 1990. Since that time, this center has concluded a contract with many domestic units and helped them introduce computers at the management level.

With this center's help, the Pakchon silk plant in the DPRK computerized the process for designing silk products, and, as a result, saved much manpower. In addition, the designing functionaries are now able to make more colorful designs by freely combining over 250 colors stored in the computers.

Having established a professional training institute, the DPRK electronic computer center is fostering technological functionaries for various regional areas. The training period ranges from one month to six months. This center has also organized a new company charged with the responsibility of arranging the import and export of electronic computers. This company collects information on new products on the international computer market and introduces and recommends it to various domestic units.

Touching on overall plans for this center, Comrade Yi Chun-yong said that the DPRK, paying great attention to the new trends and new changes in the development of world electronic computers, is making efforts to strengthen exchanges with various nations, particularly China—which is one step ahead in its progress—and to realize domestic production of some parts. Thus, the DPRK will advance to international technological markets through this new company by developing its new products.

Noting that an electronic computer plant is actively under construction, he stressed that this computer plant will produce individual computers and some parts. Thus, the DPRK will make efforts to universally apply computers in its country.

#### **South Korea Invests Over \$100 Million in Qingdao**

*HK2104081492 Hong Kong WEN WEI PO in Chinese  
7 Apr 92 p 3*

["Exclusive interview" by staff reporter: "Qingdao Mayor on Reform, Opening Up"]

[Excerpts] Beijing, 6 Apr (WEN WEI PO)—Qingdao Mayor Yu Zhengsheng recently granted an exclusive interview to WEN WEI PO and briefed the paper on Qingdao's reform and opening up characteristics. He stressed that, for the time being, the most important step in the course of changing enterprise management mechanisms is not to delegate more powers to the enterprises but to establish self-control mechanisms in them. This year, Qingdao will focus its reform efforts on this key point. [passage omitted]

#### **South Korean Investment Tops \$100 Million**

Yu Zhengsheng said: Last year, South Korean investment in Qingdao increased at the highest speed among all foreign investments in Qingdao, topping \$100 million. The number of South Korea-funded enterprises reached 100, double what it was in the previous year. The South Korean investors are satisfied with the labor force in Laoshan and other areas. In their eyes, labor costs are rather low, and the quality of the labor force is also good or close to that in South Korea. Moreover, Qingdao is close to South Korea, and the people's living habits are similar. Therefore, South Korean investors like to run enterprises owned solely by themselves, and more investment will be made.

In discussing the land sale situation, Yu Zhengsheng said that, because the investment environment in North China is still not as good as that in South China, the 11 pieces of land that Qingdao put up for sale in 1990—each with a several ten square kilometers area—have not been sold. Qingdao City does not plan to further lower the land price, however, unless the buyer is to develop high-tech projects which will have a far-reaching bearing on Qingdao's economic development.

Yu Zhengsheng said that he expected this year's foreign investment in Qingdao to exceed \$300 million and even reach \$500 million.

#### **ROK Chong-u Corporation Invests in Shandong**

*SK2104032492 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 19 Apr 92*

[Summary] It only took 132 days to build the Longkou City Chong-u Food Corporation. This corporation has successfully entered the international market with its astonishing work efficiency.

At the beginning of 1991, (Guanchao) Village of Longkou City actively established cooperative ties with the Chong-u Cracker Corporation of South Korea. Both sides cooperatively built the Longkou City Chong-u Food Corporation with \$400,000.

As of the end of last March, the corporation created \$650,000 foreign exchange by exporting its coffee peanut candies to the United States, Germany, France, and Singapore.

#### **NPC Leader Meets Mongolian Vice President**

*OW2004124792 Beijing XINHUA in English  
1216 GMT 20 Apr 92*

[Text] Beijing, April 20 (XINHUA)—Ye Fei, vice-chairman of the National People's Congress (NPC) Standing Committee, met R. Gonchigdorj, Mongolia's vice-president and chairman of the Small Hural, here this evening.

The meeting was followed by a dinner given by Ye in honor of the Mongolian visitors.

Gonchigdorj arrived here by air this afternoon on his way to Hawaii.

### **Near East & South Asia**

#### **Reportage Views Situation in Afghanistan**

##### **U.S. Wants 'Peaceful' Transfer**

*OW2004115092 Beijing XINHUA in English  
1131 GMT 20 Apr 92*

[Text] Islamabad, April 20 (XINHUA)—The United States likes to see a peaceful transition of power in Kabul, a senior American diplomat said here today.

"We are closely working with Pakistan to achieve this objective," he said while briefing newsmen at the U.S. Embassy here.

He said that the U.S. wants to see possible participation of different political elements in the body politics of Afghanistan.

"We are nearer to achieving the objective of peaceful transfer of power in Afghanistan despite the changes taking place there," he said.

The diplomat said the U.S. will continue its support and efforts for the peaceful transition of power in Kabul. Violence should be avoided in Afghanistan and territorial integrity should be maintained, he added.

According to the diplomat, the U.S. has provided 60 million dollars to Afghanistan on humanitarian grounds in the past years and a similar amount is being used on the Afghan refugees in Pakistan.

### **Najibullah Allowed 'To Leave' Kabul**

OW2004141892 Beijing XINHUA in English  
1353 GMT 20 Apr 92

[Text] Islamabad, April 20 (XINHUA)—Former Afghan President Najibullah is allowed to leave Afghanistan under an agreement reached between the United Nations and the Afghan Government in Kabul today, according to a report from Kabul reaching here.

45-year old Najibullah was ousted on Thursday after being the president of Afghanistan for five years and has since taken refuge in the U.N. office in Kabul.

The U.N. office in Kabul has been trying to arrange the safe passage for Najibullah out of the country since he stepped down, official sources in Islamabad said.

The agreement to allow Najibullah to leave the country was reached between U.N. special envoy Benon Sevan and government forces controlling Kabul airport, the report from Kabul quoted government sources as saying.

The report said Najibullah is expected to leave the country later today and his expected destination will be New Delhi.

### **'Roundup' on Afghan Situation**

OW1804100592 Beijing XINHUA in English  
0818 GMT 18 Apr 92

[By Wu Dingbao and Hu Xiaoming; "Roundup: Situation in Afghanistan Dangerous"]

[Text] Islamabad, April 18 (XINHUA)—Afghan President Najibullah's unceremonious exit from the power has more than ever before brought home the explosive possibilities inherent in the situation of flux now prevailing in the war-torn country, observers said.

The night curfew has been reinforced and additional troops are patrolling the capital city of Kabul with army contingents also posted at strategic points, according to reports from Kabul today.

The military commanders controlling Kabul have issued shoot-on-sight orders to foil any attempt to dislodge the troops in any part of the city, the reports said.

The new administration in Kabul has taken all these measures in a bid to consolidate its position with major concern being to plug the Mujahidin's possible onslaught on the capital where the situation was reported to remain confusing, precarious, dangerous and unpredictable.

The capital is under pressure as some Mujahidin groups have advanced towards the capital. Mujahidin commander Ahmad Shah Masud's force is about 20 kilometers from Kabul and another strong mujahideen Leader Gulbadin Hekmatyar's [name as received] troops are about 60 kilometers from the capital.

Hekmatyar said Friday that there are no options before the Mujahidin: either power in Kabul will be transferred

to a Mujahidin-nominated Transitional Council to be formed in a couple of days peacefully, or the Mujahidin will capture the capital city of Kabul.

Herat, the capital city of Herat Province bordering Iran, was reportedly fallen to the hands of mujahideen Friday. They also occupied three military posts in Paghman District in Kabul Province Friday, according to Mujahidin sources here.

In a bid to ease the pressure on Kabul, Afghan Foreign Minister Abdol Wakil met Masud at his headquarters in Charikar Friday to work out some kind of arrangement for cooperation.

Farid Mazdak, a major figure in Kabul's new ruling coalition, Friday called for an understanding with Mujahidin forces closing in on the capital.

He said in Kabul there was no obstacle to an understanding with the Mujahidin.

On the other hand, observers say there is fear that infighting may erupt at any moment among rival Mujahidin groups, instead of between Mujahidin and the government.

They believe each of the groups is desperately trying to get hold of Kabul first to have a better position to negotiate a favorable deal for itself in the future.

According to the reports, Masud, who controls much of northern Afghanistan, is strongly opposed by Gulbadin Hekmatyar, some of whose elements have taken up positions against Masud.

With the situation in Afghanistan becoming bleak, U.N. Special Envoy on Afghanistan Benon Sevan, now in Kabul, was involved in negotiations with Kabul's new rulers Friday in an effort to stop Afghanistan from sliding into complete anarchy.

Pakistan and Iran, both accommodating large numbers of Afghan refugees, have urged the Afghans to avoid bloodshed.

The U.N. Security Council at an emergency session called on all feuding parties to support the efforts of the U.N. secretary general and Sevan towards a political solution "to which there is no viable alternative."

Diplomats in Islamabad said the main task now is to stabilize the situation in Kabul and allow time for the U.N. to get its proposed neutral council in place in the next few days.

**Reportage Views Visit by Yemeni Foreign Minister****Meets Li Peng**

*OW2104111492 Beijing XINHUA in English  
1049 GMT 21 Apr 92*

[Text] Beijing, April 21 (XINHUA)—Chinese Premier Li Peng met and had a cordial talk with visiting Foreign Minister of the Republic of Yemen 'Abd-al-Karim al-Iryani here this afternoon.

According to a Chinese official, during the meeting Li reviewed the growth of the long and friendly relations between China and Yemen.

He said Yemen is one of the first Arab countries to establish its diplomatic relations with China. China and Yemen have enjoyed good and friendly cooperative relations.

In the present new situation, Li said, China is willing to continuously expand its cooperative relations with Yemen in economic field within its ability.

Al-Iryani expressed his satisfaction with the development of bilateral relations, hoping that efforts should be continuously made to further promote such relations.

During the meeting Li briefed the visitors on China's foreign policy. He said China is a developing country. In the past she had sufferings like other developing countries.

China and other developing countries sympathize with and support each other, he added.

**Meets Qian Qichen**

*OW2004152692 Beijing XINHUA in English  
1513 GMT 20 Apr 92*

[Text] Beijing, April 20 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen held talks here this afternoon with his Yemeni counterpart 'Abd-al-Karim al-Iryani.

According to a Chinese official attending the talks, Qian welcomed al-Iryani who is visiting China for the first time since the reunification of Yemen.

The official quoted Qian as saying that the reunification of Yemen is a major event in the country's history and is in keeping with the fundamental interests of Yemeni people and also contributes to peace and stability in the region.

Qian expressed hope that a reunited Yemen will undergo constant progress and prosperity.

During an exchange of views on both current international and regional issues, the two ministers reached a consensus that a new international order should be established on the basis of the principles of mutual respect and non-interference in the internal affairs of another country. They also agreed that all countries should participate in world affairs on an equal basis.

They agreed that any new international order should ensure peaceful solution to international disputes.

Qian expressed hope that the non-aligned movement will play an active role in the current international political arena.

Qian briefed Iryani on China's principled position concerning the Middle-East issue, saying that China is deeply concerned with the issue and sincerely hopes for an early, comprehensive, fair and reasonable settlement.

Settlement of the issue will be not only be conducive to peace and stability in the region, but to the world as well, said Qian. Therefore, China supports all efforts leading to a settlement.

Qian also said the China's support for the just struggle of the Palestinian and Arab peoples is firm and unshakable.

Noting that Yemen cherishes the constant development of relations with China, al-Iryani said that China has played a large role in his country's development.

He expressed admiration for China's internal and external policies and principles, saying that the country's wise policies and principles benefit not only China itself, but the world as a whole.

Following the talks, the two ministers signed an exchange of notes affirming that the consular treaty between the People's Republic of China and the Yemen Arab Republic is now applicable to the Republic of Yemen.

**Delegation Visits India for Space Cooperation**

*OW2004062492 Beijing XINHUA in English  
0607 GMT 20 Apr 92*

[Text] New Delhi, April 20 (XINHUA)—China and India have expressed their willingness to cooperate bilaterally in the field of peaceful use of outer space.

The willingness was voiced during talks between a visiting Chinese delegation from the Ministry of Aero Space Industry of China and Indian officials and scientists.

The talks have achieved "positive results," a spokesman of the nine-member Chinese team said today.

During the 16-day stay in India starting on April 5, the Chinese delegation visited a number of research centres of outer space in India.

The spokesman said that the Chinese delegation has a deep impression on the Indian achievements in space science and technology.

It is noted that the talks have been a concrete follow-up of a meeting between the two countries on cooperation on outer space held during Chinese Premier Li Peng's visit to India in December last year.

**State Councillor Meets Moroccan Trade Minister**

OW2004124092 Beijing XINHUA in English  
1218 GMT 20 Apr 92

[Text] Beijing, April 20 (XINHUA)—Chinese State Councillor Li Guixian met with Abdallah al-Azmani, minister of commerce and industry of Morocco, and his party here this afternoon.

Earlier today, Chinese Vice-Minister of Foreign Economic Relations and Trade Wang Wendong held talks with al-Azmani.

**Bangladesh Prime Minister Meets CPC Delegation**

OW2004194092 Beijing XINHUA in English  
1717 GMT 20 Apr 92

[Text] Dhaka, April 20 (XINHUA)—Prime Minister of Bangladesh Khaleda Zia said here today that exchange of visits at party and government levels would further expand the existing relations between Bangladesh and China.

She was talking to the visiting six-member goodwill delegation of the Communist Party of China led by Jiang Guanghua, deputy head of the Liaison Department of the Central Committee of the CPC who called on her at her residence.

The Chinese delegation arrived here on April 13 for a week-long visit at the invitation of the ruling Bangladesh Nationalist Party.

**Nepalese Premier Praises Progress in Relations**

**Calls for 'Mutual Understanding'**

OW1604192392 Beijing XINHUA in English  
1619 GMT 16 Apr 92

[Text] Kathmandu, April 16 (XINHUA)—Nepalese Prime Minister Girija Prasad Koirala said that the fundamental tenets of Nepal's foreign policy will remain constant.

He stressed that the policy is guided by the country's national interest and vision and based on non-interference in the internal affairs of other countries.

He made these remarks while speaking at a function to mark the 45th anniversary function of the Nepal Council of World Affairs here today.

International situation has changed so rapidly since last year that the world today looks very different from what it was less than a year ago, the prime minister said. The fast change demands an ability to adopt a foreign policy that can keep pace with the rapid evolution in international relations, he added.

Koirala said that the element of continuity while adapting to changes in the world is "nowhere more evident than in the relations with our immediate neighbors."

"Indeed, the reality of our existence demands a stable relationship of trust and mutual benefit with both India and China," he said.

"My recent visit to China has reinforced the steady progress in our bilateral relations," he noted. "We shall continue to make every effort to strengthen and broaden our neighborly relations based on mutual understanding of each other's aspirations and interests," he stressed.

**Speaks to Journalists**

OW1704134192 Beijing XINHUA in English  
1327 GMT 17 Apr 92

[Text] Kathmandu, April 17 (XINHUA)—Nepalese Prime Minister Girija Prasad Koirala said his country values the friendship with its neighbor of China.

At a meeting with a visiting delegation from the All-China Journalist Association here today, the prime minister said friendship is most important and Nepal values its friendship with China.

Recalling his recent visit to China, Koirala said, "the deepest impression to our memory is the warm and friendly welcome shown to us by the Chinese government and local people of the places we visited."

The Chinese delegation head Tang Fei, member of the All-China Journalist Association Secretariat, said that "we are deeply moved by hardworking spirits of Nepalese people after visiting many Nepalese factories since we came to Nepal."

He said the attractive natural sceneries and historical relics they've seen fully testify Nepal's long existing cultural traditions and wisdom of its people.

Present on the occasion were Chinese Ambassador Shao Jiongchu and Manju Ratna Sakya, president of the Nepal Journalist Association (Sakya).

The Chinese delegation also called on and had friendly talks with chairman of the Upper House Beni Bahadur Karki earlier today.

The five-member Chinese journalist delegation arrived here on April 11 and will leave here for an India visit tomorrow.

**Women Organization Official Fetes Jordanian Guest**

OW2004125092 Beijing XINHUA in English  
1216 GMT 20 Apr 92

[Text] Beijing, April 20 (XINHUA)—Zhao Di, vice-president of the All-China Women's Federation, met and feted Emily Naffa, general secretary of the Arab Women's Organization of Jordan, here this evening on behalf of Chen Muhua, vice-chairwoman of the National People's Congress Standing Committee and president of the federation.

Naffa, also a member of the Political Bureau of the Jordanian Communist Party Central Committee, arrived here April 18 as guest of the federation.

### Sub-Saharan Africa

#### Jiang Zemin Meets South African Communist Leader

OW2004135192 Beijing XINHUA in English  
1344 GMT 20 Apr 92

[Text] Beijing, April 20 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin met here today with Chris Hani, general secretary of the South African Communist Party.

Jiang paid tribute to the South African Communist Party for its decades-long struggle against racism and for the liberation of the various races in South Africa.

Speaking of the good relations between the Chinese and South African Communist Parties, Jiang hoped for more contacts and more exchange of information and experience between the two sides.

Jiang told the visitors that China wants to have a long peaceful international environment. China stands for forging ties with all countries on the basis of the five principles of peaceful coexistence and has all along opposed hegemonism and power politics.

"We are now concentrating our efforts on pushing our national economy forward. Even if China becomes strong in the future, it will never seek hegemony," Jiang stressed.

The South African Communist Party, founded in 1927, is now an important political force in the country.

Chris Hani, who was elected general secretary in late 1991, told Jiang that South Africa has entered into a crucial period. His party, the African National Congress and the League of South African Trade Unions support the peaceful negotiation process and will make contributions to it.

He noted that the Chinese Communist Party and the Chinese people have all along supported the South African people of various races in their struggle against apartheid and for democratic system.

He expressed the belief that the friendly ties between the South African Communist Party and the Chinese Communist Party, which are firmly based, will grow further.

Hani and his party arrived here on Saturday. Yesterday they had talks with Zhu Liang and Li Shuzheng, head and deputy head of the International Liaison Department of the Chinese Communist Party Central Committee.

#### Qian Qichen Meets With Zairese Official

OW2004141092 Beijing XINHUA in English  
1401 GMT 20 Apr 92

[Text] Beijing, April 20 (XINHUA)—Qian Qichen, Chinese state councillor and foreign minister, met with Mukulumanya N'gala [name as received], secretary of state for external relations of Zaire, here this afternoon.

According to the Foreign Ministry, they had a frank and friendly conversation on further developing friendly relations of cooperation between the two countries and major international issues of common concern.

Mukulumanya was on way back after visiting the Democratic People's Republic of Korea.

#### Special Envoy Chen Muhua Arrives in Uganda

##### Tour To Extend to Kenya

OW1904182392 Beijing XINHUA in English  
1753 GMT 19 Apr 92

[Text] Kampala, April 19 (XINHUA)—Chinese special envoy and Vice-Chairman of the Standing Committee of the National People's Congress of China Chen Muhua arrived here today for a four-day friendly visit to Uganda.

During the visit, the Chinese special envoy will meet with Ugandan President Yoweri Museveni and other Ugandan Government leaders.

On her arrival at the Entebbe International Airport, Chen Muhua said the purpose of her visit was to promote friendly relations and economic cooperation between Uganda and China.

Uganda is the first leg of Chen's two-nation African tour which will also take her to Kenya.

#### Deputy Prime Minister Fetes Chen

OW2104041592 Beijing XINHUA in English  
0303 GMT 21 Apr 92

[Text] Kampala, April 20 (XINHUA)—Paul Ssemogerere, Uganda's second deputy prime minister, feasted Chen Muhua, vice-chairwoman of the Standing Committee of the Chinese National People's Congress, on Monday evening at the Nile Hotel.

During his speech at the banquet, Ssemogerere, who is also minister of foreign affairs, thanked China for its economic assistance and said he hoped Chen's visit would further promote friendly relations.

In her speech of thanks, Chen said that China would especially strengthen its relations with third-world countries, including those in Africa.

Chen expressed the wish that the friendship and cooperation between China and Uganda would grow stronger.

**Li Tieying Meets Ivory Coast Cultural Minister**

OW1804122192 Beijing XINHUA in English  
1154 GMT 18 Apr 92

[Text] Beijing, April 18 (XINHUA)—Chinese State Councillor Li Tieying met with a government cultural delegation from Cote d'Ivoire, led by Minister of Culture Henriette Dagri Diabate here today.

According to the schedule, Chinese Vice-Minister of Culture Liu Deyou and Minister Diabate will sign, on behalf of their respective governments, an agreement on cultural cooperation between the two countries this evening.

**Spokesman Says Madagascar Official To Visit**

OW2104034892 Beijing XINHUA in English  
0331 GMT 21 Apr 92

[Text] Beijing, April 21 (XINHUA)—At the invitation of the Chinese government, First Deputy Prime Minister of the Democratic Republic of Madagascar Francisque Ravony will, at the head of a government delegation, pay an official visit to China from April 23 to 26, a Chinese Foreign Ministry spokesman announced here today.

**West Europe**

**Jiang Zemin Meets Greek Communist Head**

OW2004135792 Beijing XINHUA in English  
1349 GMT 20 Apr 92

[Text] Beijing, April 20 (XINHUA)—Chinese Communist Party General Secretary Jiang Zemin and visiting Greek Communist Party General Secretary A. Papariga agreed here today that the two parties should have more exchanges and greater cooperation.

Jiang told Papariga at a 30-minutes meeting that the Chinese Communist Party cherishes its friendship with the Greek party.

He expressed the conviction that her current visit will help the relations of friendship and cooperation between the two parties grow further and contribute to the mutual understanding and friendship between the two countries and the two peoples.

Jiang said that the Chinese leadership and people will firmly follow the party's basic line, step up reform and open China still wider to the outside world so as to push the national economy forward.

Papariga said that the Greek Communists and the progressive people follow closely China's successes in socialist construction and reforms, which are going on according to the actual situation in China.

The Greek Communist Party attaches great importance to its friendly ties with the Chinese Communist Party and hopes for more contacts, more exchange of views and greater cooperation, she said.

Arriving here yesterday, Papariga had talks earlier today with Zhu Liang and Li Shuzheng, head and deputy head of the International Liaison Department of the Chinese Party. They are scheduled to tour Shanghai and Shamen [as received].

**Vice Premier Wu Xueqian Meets Italian Visitors**

OW2004151192 Beijing XINHUA in English  
1455 GMT 20 Apr 92

[Text] Beijing, April 20 (XINHUA)—Vice-Premier Wu Xueqian met today in Beijing with Gabriele Cagliari, president of the Italian ENI Group.

Wu told the Italian businessman that China will accelerate the pace of reform and opening to the outside world, and will absorb advanced technology and management expertise from all countries in order to accelerate the development of its petro-chemical industry and the overall national economy.

Cagliari is in China to discuss possible areas of cooperation with the China Petro-Chemical Corporation. He told Wu that Italian businessmen attach great importance to economic cooperation with China.

**Turkish Foreign Minister Meets With CPC Member**

**Cetin Calls for 'Developing' Ties**

OW2004130592 Beijing XINHUA in English  
1252 GMT 20 Apr 92

[Text] Ankara, April 20 (XINHUA)—Turkish Foreign Minister Hikmet Cetin said today that Turkey attaches great importance to developing relations with China.

Cetin made the remarks when meeting with a delegation from the Communist Party of China (CPC) led by Chen Guangyi, member of the CPC Central Committee and secretary of the Fujian provincial committee.

Cetin highly praised China for its great achievements which have been made since it adopted the policies of opening to the world and economic reforms in 1978.

He added, "We attach great importance to developing the relations with the CPC. There is not any problem existing between Turkey and China. So, we will develop the relations between the social Democrat Populist Party (SHP) and the CPC in a bid to promote the government-to-government and people-to-people relations between our two countries."

After the meeting, the CPC and the SHP held official talks on closer cooperation between the two parties and on regional and international issues.

**Turkish Official Urges Better Ties**

OW2004214092 Beijing XINHUA in English  
1948 GMT 20 Apr 92

[Text] Ankara, April 20 (XINHUA)—Turkish Deputy Prime Minister Erdal Inonu said today that China has contributed a great deal to the maintenance of world peace in handling international affairs.

Inonu, also chairman of the Social Democrat Populist Party (SHP), made the remarks when he met this evening with a delegation from the Communist Party of China (CPC) led by Chen Guangyi, member of the CPC Central Committee and secretary of the Fujian Provincial Committee.

"We highly praise China for making efforts and contributions to the maintenance of world peace at the U.N. Security Council meetings on major international affairs," Inonu said.

On the Taiwan issue, Inonu said, "Turkey adheres to 'One-China Policy' and will not develop official ties with Taiwan."

He said Turkey and China should enhance their economic and trade ties while maintaining food political relations.

Chen Guangyi briefed Inonu on China's economic developments since the country adopted the policies of opening to the outside world and economic reforms in 1978.

**'Roundup' Views U.S.-French Arms Sales Rivalry**

OW2104054992 Beijing XINHUA Domestic Service  
in Chinese 0736 GMT 19 Apr 92

["Roundup" by XINHUA reporter Liang Guihe (2733 6311 0735): "U.S.-French Competition Fierce in Arms Sales"]

[Text] Paris, 18 Apr (XINHUA)—Following the end of the "cold war" era, various arms-exporting countries in

the West have started a new round of competition in arms sales while reworking their strategies and reorienting their arms production.

The competition between the United States and France—two major arms-exporting countries—is more intense than that between other countries. France's arms exports totaled 33.4 billion francs in 1990, up 70 percent from 1989. The Gulf crisis of 1991 gave American weapons a field day, causing France to lose its traditional market in the Gulf region. However, France seized the opportunity to extend its tentacles of competition to Southeast Asia, where its ever-increasing arms sales reached 38 billion francs in 1991.

Today, U.S.-French rivalry in arms sales has spread to Southeast Asia, Turkey, Iran, and Finland.

Finland is reportedly prepared to buy 67 new fighters to replace its old Soviet-made "MiG-21" combat aircraft. The order, valued at 16 billion francs (approximately \$2 billion), has attracted aircraft manufacturers from the United States and France. The United States has offered its most advanced F-16 and F-18 fighters, promising a hefty reward. For its part, France has touted its latest "Mirage-2000-5" fighters, with a promise to import fairly high-valued Finnish products.

Since early this year, France has taken the initiative in resolving its disputes and mending its fences with Iran. According to news reports here, France's action was prompted by major French weapons plants which had long set their sights on the "potentially huge" arms market of Iran. Some large companies recently "gained permission" to conduct market surveys in Tehran.

France has also offered to Turkey a new helicopter it developed jointly with Germany, in an effort to secure a deal worth 10 billion francs for 200 helicopters.

Experts estimate that global arms sales will decline by 25 percent from 1989 to 1995. The relative contraction of arms markets is expected to escalate competition between the United States and France.

### Political & Social

#### 'Most Eminent' Doctors Said Attending Wang Zhen

HK2104000792 Hong Kong SOUTH CHINA  
MORNING POST in English 21 Apr 92 p 8

[By Geoffrey Crothall in Beijing]

[Text] A group of China's most eminent doctors was summoned to Beijing's 301 Military Hospital yesterday morning for an "urgent consultation" involving a "very senior leader", according to sources in Beijing.

The doctors, who are known to attend to China's ailing leaders, were called away from a major medical conference at the Taiwan Hotel to deal with the emergency, the sources said.

The identity of the leader has not been confirmed but it is believed to be Vice-President Mr Wang Zhen, who has been undergoing treatment at the 301 Hospital for several months.

Mr Wang, 83, suffered a serious heart attack about three weeks ago from which he had only just recovered, sources at the hospital said.

It is thought that Mr Wang suffered a relapse on Sunday evening, but his condition is now believed not to be life threatening, as one of the doctors, a heart specialist, has been told to report back to 301 today.

Staff at the hospital were not answering the telephone yesterday and security was said to be tighter than usual.

Although a long article signed by Mr Wang appeared in last Friday's PEOPLE'S DAILY [RENMIN RIBAO], sources said he was far too ill to have written the commentary himself.

The article, which made a veiled attack on patriarch Mr Deng Xiaoping's call for faster economic reforms, is believed to have been written by Mr Wang's staff and published to give the impression that he was still active.

Mr Wang, who usually maintains a high profile in the official Chinese media, has not been seen in public for six months. He is said to be suffering from cancer and heart disease.

#### Deng's Talks 'Intensify' High-Level Conflicts

HK1704133492 Hong Kong TANGTAI in Chinese  
No 13, 15 Apr 92 pp 28-30

[Article by Lu Yu-sha (7627 6276 2619) in Beijing: "Deng Xiaoping's Talks During Southern China Tour Intensify High-Level Conflicts"]

[Text] The current sessions of the Seventh National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC] have sent a strong message to Deng Xiaoping himself and to people at home and abroad who are concerned with and study Chinese issues. Deng's

talks during his southern China tour have also intensified high-level conflicts within the CPC.

#### Li Peng Forced To State His Position

On the afternoon of 13 March, Xu Weicheng, executive deputy head of the CPC Central Committee Propaganda Department, called a meeting of people in charge of major press units in Beijing to arrange for the publicity of the NPC and CPPCC sessions. There it was made public for the first time that Li Peng would not hold a news conference, and this has become the biggest news on the two meetings this year.

Li Peng refused to meet Chinese and foreign journalists because he was not in a position to talk. It should be said he was quite unwilling to take such an open posture. His "Government Work Report" this year had been revised several times, and each time it inched closer to Deng's southern China tour talks, but in the final version a clear divergence of views with Deng still remained.

Deng said: "China should guard against the right but, more importantly, prevent 'leftism.'" In Deng's view, China's accelerated development from 1984 to 1988 has rendered great service for it, and enabled the economy to scale new heights. It was the contribution of development. In assessing the contribution of the ensuing three years of economic improvement and rectification, its main contribution was stability. Li Peng would never agree to Deng's view on these two issues for, if he did, it would mean that his and the State Council's work in the past three years were negated. In his "Government Work Report," he adopted a method of avoiding one end: On the issue of right and "left," he avoided the prevention of "leftism," mentioning only the need to guard against the right; on the issue of the five years of accelerated development and the three years of economic improvement and rectification, he avoided the five years, talking only about the three years and the 10 years. It can thus be seen that he had cudged his brains and had no alternative. If he had been closely questioned by reporters, what could he have said?

#### Li Xiannian Launches an Open Attack

Although CPPCC Chairman Li Xiannian did not attend the session because of illness, he intended to make known his position. He is the only political elder who declared his position after Deng talked during his southern China tour. He said: "After the 4 June incident, Comrade Deng Xiaoping called me, saying we should no longer talk in the future because we are old. I accepted his view. But he talked again without notifying anybody." By making such a statement, Li has launched an attack on Deng. Among all political elders, Li has always been good at launching attacks. During the 1989 Spring Festival, he went to Shanghai to attend a municipal CPPCC committee tea party. When people asked him to say something, he openly said: "What have I to say? Now that Deng Xiaoping plays bridge and Zhao Ziyang practices capitalism, what more do I have to say? When I

went to see him yesterday, he was so engrossed in playing bridge that he did not even turn his head. Only when I said aloud: 'Comrade Xiaoping, I have come to talk to you about work' did he turn around...."

Before the 4 June incident, it was also Li who had sought Xu Xiangqian and said: "If this issue is not solved thoroughly (referring to overthrowing Zhao Ziyang), the armed forces will have to talk and take issue!" thus forcing Deng to take an extreme action.

After the 4 June incident, he did not, as he said, accept Deng's suggestion by refraining from speaking. He talked to RENMIN RIBAO quite a lot and always played the role of a backstage political supporter.

#### **Li Xiannian Always Acts as Leftists' Backstage Supporter**

In January 1990, he praised RENMIN RIBAO under Gao Di's leadership for "being like a party organ and mouthpiece." After that, he consistently interfered in RENMIN RIBAO's routine work. Sometimes he wrote letters. He even issued specific instructions on dealing with leading cadres, editors, and reporters who had made mistakes during the 4 June incident: If you fail to transfer them, "you can still wait and see in the first month, stop issuing bonuses in the second, suspend wages in the third, and expel them from party membership and discharge them from public employment in the fourth." At a general meeting, Gao Di said: "Comrade Li Xiannian's methods are really effective."

Last December, Political Bureau member Tian Jiyun sought RENMIN RIBAO Director Gao Di to criticize RENMIN RIBAO, saying that it was unfavorable to reform and opening up. The latter immediately wrote to Li Xiannian to inform Li of Tian's conversation with him. In Gao's letter, Li gave a written instruction: "Comrade Tian Jiyun: You should not have bothered RENMIN RIBAO because it does not come under your jurisdiction." Gao's letter and Li's written instruction were passed to Tian who, after writing the following words under Li's written instruction: "I have great respect for Comrade Li Xiannian but this criticism is wrong and I cannot accept it," sent them all to Jiang Zemin. Gao was so encouraged by Li's written instruction that he openly told his subordinates: "Both Tian Jiyun and Qin Chuan were Zhao Ziyang's lackeys and incited turmoil."

After receiving an internal notice from the CPC Central Committee Propaganda Department, the Central Advisory Commission sent people last year to the Central Propaganda Department to investigate some problems related to its director, Wang Renzhi. Learning of this, Li Xiannian also said: "Investigation of Wang Renzhi represents a new trend of class struggle."

#### **Chen Yun Has Always Been Someone Within the Party Bent on Rectifying Deviations**

Compared with Li Xiannian, Chen Yun has so far kept silent. This is not surprising because he has always been someone within the party bent on rectifying deviations.

Deng Xiaoping's southern China tour talks have generated shocks in localities but not caused panic in the center (with the exception of Jiang Zemin), and the center has been very sober-minded and calm. It is necessary to expand reform and opening up, "take a greater step," "speed up somewhat," "boost the economy to a new height," and "whoever fails to carry out reform will have to step down." Those are slogans agreed on by all but it is necessary to forward proposals and specific measures. Failure to do so will lead to empty talk. Viewed from the present NPC meeting, it seems that Li Peng cannot put forward a proposal, and neither can the State Planning Commission or the State Commission for Restructuring Economy. The present NPC meeting's most specific proposal was the fixed target of eliminating 80 billion yuan in "debt chains" given to Zhu Rongji, which some people view as a trap laid for Zhu. Another worrisome thing is the Three Gorges project. If the responsibility for forwarding a complete proposal for the project is also placed on Deng Xiaoping, it is an excessive demand for an old man of nearly 90, but such is the actual state of affairs.

#### **There Are Reasons for Jiang Zemin's Uneasiness**

Deng's southern China tour talks have unnerved only one person among the top level—General Secretary Jiang Zemin. This is because when Deng criticized, in various places, formalism and the work in the past few years, he explicitly wanted people to pass it to Jiang.

According to a source, after Deng returned to Beijing, on several occasions Jiang sought out Deng's two daughters, Deng Nan and Deng Rong, to explain, saying: "Comrade Xiaoping should trust me." He also asked to see Deng, but was rejected.

It should be said that since his promotion in the wake of the 4 June incident, Jiang has been closely following Deng. Having been given such an affront, it is only natural he should be so panicked and anxious.

Indications show that Jiang will not change his original plan and will go on following Deng closely. He convened an enlarged Political Bureau meeting to promptly relay Deng's talks and, in keeping with Deng's wishes, issued a red-letterheaded document. He also incorporated Deng's main ideas in the Political Bureau resolution. Recently, in line with Shanghai's experience, another instruction will probably be made on "Document No. 2" and then relayed to the whole people. "Document No. 2" clearly states that the document should be relayed to the county or regimental level but it has even been made known to self-employed workers peddling on the streets in Shanghai. In Beijing, however, Beijing Hotel attendants serving NPC deputies and CPPCC members from Hong Kong and Macao have

not listened to the document. And the general secretary should personally make up for this gap.

#### **Leftists Have Two Trump Cards in Their Hands**

The high-level leftists remain calm and collected because they have two "trump cards" in their hands. One is the personnel arrangements for the 14th National CPC Congress, which have, in fact, been completed. That is also the true reason behind Deng's talks during his southern China tour.

Among the princeling party, only one person, He Long's son He Pengfei, has been chosen a member of the 14th CPC Central Committee. He Pengfei has been chosen because, first, he has not been clear-cut politically and, second, his post, with the military rank of major general, is up to the standard. The group in charge of personnel arrangements for the 14th CPC Central Committee has avoided contention between Deng Pufang and Chen Yuan [Chen Yun's son] by selecting neither of them.

During his southern China tour, not only was Deng Xiaoping accompanied by his children, but they also brought along their own huge think tanks. Deng's talks were imposingly hard and touched on the rough outlines of issues but the think tanks' work was very specific. Deng Pufang's think tank is the most complete, enlisting almost all principal members of the former China Fund for the Handicapped. With Deng Xiaoping in front, they carried out meticulous work behind. They even organized forums in several counties, having laid a foundation in reform and opening up, such as Zhongshan, Shunde, and Panyu. Their publicity has a clear purpose: "The banner of reform and opening up belongs to Deng Xiaoping. Nobody can change this fact." Moreover, on the Zhao Ziyang issue, they spoke with curt finality: "Comrade Zhao Ziyang betrayed his master in exchange for high position at crucial moments."

After taking over the mantle, Chen Yuan wanted to change his father's image. Soon after the 4 June incident, he dished out the "neoconservatism"; last September, he intentionally revealed from abroad the "Princeling Party's Administrative Program." However, Deng Pufang flaunts his father's banner, namely, "China's reform and opening up."

There is also a wide gap between the Deng and Chen families over the 4 June incident. It is public knowledge that Chen senior and junior want to take advantage of the 4 June incident to win over the masses. That is another card in their hand. The 4 June incident was a major incident between the 13th and 14th party congresses, the resolution of which should generally not be extended from one congress to another. But Deng senior and junior seem determined to extend it. The fact that Bao Tong [former assistant of Zhao Ziyang] was officially arrested before Deng went south and that he passed verdicts on Hu Yaobang, Zhao Ziyang, and the 4 June incident in his talks during the trip precisely demonstrates this determination.

Judging by Deng Xiaoping's southern China tour talks, the prospects for personnel struggle over the 14th CPC Central Committee are still unclear. But his talks will unquestionably lead irresistibly to the local economy's vigorous growth. This is due, first of all, to the inflow of capital from Hong Kong, Macao, and Taiwan. It is learned that, after Deng's talks, a family with a strong background in Hong Kong convened influential people in Southeast Asia and decided through study and consultation that they should give input to and help the mainland instead of continuing to boycott and blockade it. Their policy decision toward Taiwan after the 1960's was also thus decided. They have gotten in touch with China's relevant quarters with the aim of opening a stock and securities market in Beijing with their abundant foreign exchange funds.

#### **Local Economy Will Take Advantage of the Opportunity To Leap Forward**

Shenzhen, Zhuhai, and Guangdong will continue to be the forerunners of reform and opening up, while Shanghai will become a special economic zone among the special economic zones in the next 10 years. This has been guaranteed in terms of policy. But what cannot be overlooked is that Beijing is unwilling to lag behind. Since Deng Xiaoping's talks on his northern expedition [bei fa 0554 0127] last year, [Beijing Mayor] Chen Xitong has adopted the posture of a "great reformist" and taken effective steps to switch large and medium state enterprises to other products, merge them with others, suspend their operation, or simply close them down. He has also set about preparing for a social relief society [she hui jiu ji shuo 4357 2585 2405 3444 2076] for 200,000 people and opening a development park covering 12 mu of land, and transferred the first group of lands in the hi-tech park. After Deng's southern China tour talks, Chen wanted to be No. 1 in the whole country in terms of reform and opening up. In addition to turning the area from Chongwenmen to Yonghe Palace into the Ginza-type [Tokyo shopping area] Chongyong Street within five years (this will be a comprehensive development embracing banking, real estate, trade, commerce, and tourism), there are still several astonishing acts lying outside the system.

#### **Article Discusses Document on Peaceful Evolution**

HK2004141092 Hong Kong TANGTAI in Chinese  
No 13, 15 Apr 92 pp 59-61, 91

[Article by Wang Li (3769 0500): "Deng Xiaoping Does Not Trust Zhao Ziyang"; first two paragraphs are TANGTAI editor's note]

[Text] Wang Renzhi, CPC Central Committee Propaganda Department director, founded a research center at the CPC Advanced Party School to secretly study measures for "countering peaceful evolution." This institute recently submitted its first and second batches of "research results" to the Central Committee. Excerpts of the first-batch "results," namely "an analysis of Western

countries' peaceful evolution strategy," were carried in this journal's February issue (No 11); our current issue carries excerpts of the second-batch "results," namely, "inherent factors of peaceful evolution in socialist countries." Noteworthy is the fact that, in this document, Deng Xiaoping has made known his unfavorable assessment of Zhao Ziyang, evidenced in Deng's resentment against Hu Yaobang and Zhao Ziyang in the remarks he made during his inspection tour of southern provinces early this year.

We must point out here that the so-called two batches of "results" are ultra-leftist and their essence is not in line with the keynote of Deng's remarks made during the said inspection tour. Therefore, they may not be deemed valuable; however, we can form a clear picture from them of the conservatives' ideological trends, principles, and policies. This being the case, this journal has decided to carry the excerpts, so that our readers may have a clearer understanding of the conservatives' ideology.

The possibility of peaceful evolution in socialist countries has occurred since day one of their existence and they always face the danger of having their socialist nature changed should they stop being careful for a moment.

Contemporary theories and practices have profoundly manifested that socialism cannot change capitalism through peaceful evolution; the cause lies in the fact that socialist production relations do not take shape within a capitalist society. At the same time, socialism can be changed through capitalist peaceful evolution because socialism emerges from the womb of capitalism and the factors of evolution exist at all times.

Lenin indicated long ago that the danger of peaceful evolution in socialism comes from: 1) Powerful international capitalist forces, and 2) medium and small production in the socialist society constantly, spontaneously engendering capitalism.

#### **Inherent Factors of Peaceful Evolution**

##### **1. Economic roots of peaceful evolution in a socialist country.**

A capitalist class exists in China; however, it is impossible for it to form into a class force. Incubating in China is another danger, namely, an ever-expanding middle class. Su Shaozhi said that a middle class already existed in China. Yan Jiaqi believed that although China had a middle class, its strength was not sufficiently powerful, whereas Li Zehou believed that what accounts for the success of Taiwan's democratic movement is the fact that a powerful middle class has already taken shape. Thus, two very grave problems are set forth: Does a middle class exist in China? Many people hold the view that a large number of middle-class elements have already surfaced in China today, but they should not be formed into a class. However, the occurrence of such a phenomenon can hardly be avoided in China. China is in the initial stage of socialism, with the coexistence of

various economic factors and public ownership being the main body. However, the individual economy and private sector of the economy are spontaneous forces and some new-born capitalist elements have already surfaced in China. When those people form into an independent economic force they will inevitably seek political power.

#### **CPC Stresses Class Struggle**

##### **2. Class struggle remained in a certain realm during the socialist period.**

It found expression in the following aspects:

First, the grave confrontation between bourgeois liberalization and "the four cardinal principles." Second, the grave confrontation between democratic socialism and "the four cardinal principles." Third, linkage of the aforesaid opponents to reactionary forces at home and overseas. And fourth, to a certain extent, class struggles are likely to become the major contradiction. We can be certain that class struggle will be one between the two roads, whereas the basic issue in class struggle is political power. Taiwan has currently replaced the slogan "fighting communism" with "transforming communism," identical to the soft strategy adopted by international imperialist forces and meaning infiltration through non-government ties to eventually achieve the goal of peaceful evolution.

3. For a considerably long period of time, socialist countries' social productive forces will lag behind developed capitalist countries and China lacks a powerful material basis in competition.

4. Reform and opening up have duality. An important task of reform is to develop the commodity economy. Today, China's commodity economy is based on the coexistence of diversified forms of ownership, things socialist as well as nonsocialist, with individuality of the commodity economy and common quality of the ordinary commodity economy. This breeds great possibilities for capitalist factors to develop in China.

5. In socialist countries, grave problems exist in all aspects of the political, economic, and social structures.

6. Pernicious influences from feudal society and effects of unsound factors of past semi-feudal, semi-colonial society remain in socialist countries.

7. The danger of deterioration exists inside the Communist Party and finds specific expression in that:

First, class struggle continues to exist, and its effect inside the party finds expression in the flooding of the ideology of democratic socialism. Gorbachev is none other than the active advocate of democratic socialism; consequently, he has been reduced to being the No. 1 renegade to the international proletarian cause. Comrade Zhao Ziyang said that democratic socialism was a progressive social trend and he was deeply affected by the ideological trends of democratic socialism. During his recent visit to China, DPRK President Kim Il-Song

visited Comrade Deng Xiaoping and asked: "Eastern Europe has changed and so has the USSR and Mongolia; will China change? Will China withstand the pressure?" Comrade Deng Xiaoping answered: "It is hard to say; nor could we set our minds at ease when Zhao Ziyang was in office. But now we can set our minds at ease with Comrade Jiang Zemin taking the general secretary's office, and China will withstand the pressure." Therefore, we can see, leadership should be grasped by the hands of genuine Marxists.

Second, the overwhelming majority of party members are fine but voluminous unhealthy forces also exist. Some party members are not firm in their belief in socialism, harboring attitudes of doubt; others pay no heed to the party principles, while planning only for their own personal gains; and still others have diluted motives in applying for party membership, with the purpose of transforming the party. Fang Lizhi told the students that they should send in their applications for party membership and that only by becoming party members would it be possible to better transform the party. These people mainly seek the reformist school inside the party as their backing.

And, third, the CPC is facing three tests: 1) peaceful evolution; 2) reform, opening up and developing the commodity economy; and 3) the qualities of a political party itself in office. In a nutshell, they are the tests of money and power.

Conclusion: The combination of external hostile forces and internal decadent forces is likely to promote peaceful evolution into a reality. This should rouse the whole party's adequate attention.

#### **Emphasizing the Soviet Failure in Countering Peaceful Evolution**

Grave consequences of the conversion of socialist countries through peaceful evolution.

Peaceful evolution has not brought happiness to socialist countries, but unprecedented disasters, wars, chaos, nationality separation, disintegration of the nation, and comprehensive crisis in political, economic and social aspects. This finds typical expression in the USSR.

First, the USSR economic crisis. When Gorbachev first took office, the 1985 to 2000 plan for economic development was formulated; based on an annual 4.7 percent growth rate, the USSR GNP by the year 2000 could have reached 1,200 billion rubles or \$1.649 billion. However, under the guidance of Gorbachev's perestroika, it was a totally different picture. The GNP began to drop in 1990 and the worsening economy resulted in grave shortages of foodstuffs, which in turn aggravated the deteriorating USSR economy. In addition, financial deficits were alarming, with an annual deficit of 120 billion rubles. This chiefly resulted from bank overdrafts and the consequent inflation. The USSR was head over heels in domestic and foreign debts and Gorbachev was thus known to the world as the beggar president.

#### **Conditions of Nationality Separation**

Second, the USSR political crisis. The CPSU leadership was gravely reduced and eventually disintegrated. Currently, there are numerous political parties in the USSR, with approximately 60,000 political parties and organizations. Gorbachev freed himself from the guiding thinking of Marxism-Leninism. The objective of the cause was no longer communism but was changed into humanitarian, democratic socialism and the condition for party membership was no longer being the vanguard, but voluntariness.

Eight years ago, CPSU members could be categorized in seven factions in three major forces: the radicals, Yeltsin and his ilk; the healthy forces, called the conservatives in the USSR; and the middle-of-the-roaders, characterized by watching in safety while others fight, then reaping the spoils when both sides are exhausted. In actual fact, this third force comprised typical counterrevolutionaries. It was precisely because factions were tolerated inside the party, while refraining from stressing inner-party unity, that the CPSU's strength was fatally reduced. This serves as a grave lesson for our party.

When the party was severely reduced, the state also began to face the danger of separation. There are 100 or so nationalities inside the USSR, with over 30 major nationalities in a dozen or so republics in the union. The CPSU failed to adopt firm and resolute measures toward separatist activities from the start; as a result, such activities raged. In 1990, three Baltic states declared independence; hence, a qualitative change in the state took place, eventually leading to the total disintegration of the USSR. This lesson is also worth China's great attention.

Third, grave social crisis. This found expression in: 1) Serious anarchy, losing control over the entire Soviet society, and extreme social chaos; 2) mafia forces running amok, colluding with the government as well as foreign reactionary forces, and equipped with sophisticated weaponry to engage in heinous crimes.

And fourth, national capitulationism has been implemented in foreign affairs, eventually leading to a once-mighty USSR losing its fighting will. The causes of Soviet peaceful evolution are many but they are mainly as follows:

#### **Causes of Soviet Peaceful Evolution**

First, it is the consequence of imperialist peaceful evolution and, second, it is the consequence of long-term development of the ideological trends of democratic socialism. After Stalin passed away, Khrushchev explained various problems surfacing in the USSR in light of bourgeois ideology.

Generally speaking, Stalin was a great Marxist but he committed serious mistakes. 1) His assessment of a postwar general crisis in capitalism was out of line with facts; 2) he overestimated the domestic development

phase, which did not conform to objective conditions; and 3) he made errors on the theory of class struggle dying out and enlarging class struggles, while neglecting socialist democracy and the legal system. However, in fairness, Khrushchev failed to assess Stalin objectively and he adopted a very wrong attitude in handling the matter. First, he exaggerated Stalin's errors to extremes; second, he attacked and distorted the proletarian dictatorship and pursued the theory of class reconciliation by taking advantage of Stalin's errors; and, third, he fabricated the ideological tendencies of humanitarian, democratic socialism. The effects were highly odious and he initiated the practice of a communist party in office repudiating a great leader and the great socialist cause.

### Gorbachev Is Regarded As Good for Nothing

Why did Khrushchev's actions not bring down the CPSU? 1) International forces were still involved in the Cold War; 2) quite a few comrades in the USSR were in favor of criticizing Stalin but not totally negating him and there was opposition to stop Khrushchev from so doing; and 3) Khrushchev lacked proletarian theoretical attainment and was poor in his self-cultivation.

Khrushchev left office in 1964 and the heritage he left included: 1) The theory of democratic socialism and corresponding policies and lines; 2) a large number of cadres affected by such ideological trends; 3) anti-communist and anti-socialist forces with this theoretical guidance. For example, the school of defending human rights, the school of nationality and democratic movement, the school fighting for freedom of speech and press, the social democratic school fighting for social democratic reform, and so forth; and 4) Under this line, mafia forces were running amok.

Third, it is the consequence of the ideological trends of Gorbachev's democratic, humanitarian socialism. Currently, there is a trend that calls for our attention, namely, Marxism is regarded as humanism [ren ben zhu yi 0086 2609 0031 5030.] Quite a few people affected with revisionist views have found grounds on the theory of alienation in "1844 Manuscripts of Philosophy and Economics" by Marx while believing that Marxism is humanist. Gorbachev stated that "human interests stand above all else" was the basis on which he formulated internal and external policies; obviously, he expounded that point from the angle of human nature.

Fourth, Gorbachev's humanitarian democratic socialism was the result of expanding religious influences in the USSR; in other words, it originated in religious theory. And,

Fifth, it is closely connected with the changes in the Soviet social and class structure. With the changes in the Soviet social structure, its class structure had also undergone changes: 1) Structural changes have taken place in the working class rank and file. The worker population was 80 million, of which 19 percent was in primary industry, 38 percent in secondary industry, and 43

percent in tertiary industry; 2) the intelligentsia population had expanded drastically. Western reactionary forces paid close attention to Soviet intellectuals, especially those in the upper tier, in an attempt to push peaceful evolution; and 3) young people in the 20 to 30 age bracket accounted for one-fourth of the Soviet population.

The above causes show that the evolution in the USSR did not arise from problems in socialism itself but the long-term erosion of peaceful evolution in the USSR.

### Emancipating Mind, Seeking Truth From Facts Urged

HK2104144492 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 21 Apr 92 p 2

[Article by Wang Zuobin (3076 0155 6333): "Emancipate the Mind, Seek Truth From Facts"]

[Text] "Make bold experiments and efforts when you have accurately sized up the situation." These words and belief are reverberating on the vast Chinese land amid the spring wind. Where does "boldness" stem from? It stems from "accuracy," which is preceded by mental emancipation.

The history of human civilization and progress is the history of constant mental emancipation. Without mental emancipation, man could not have walked out of the primeval forest and social changes would have been impossible; without mental emancipation, there could not have been Copernicus' "heliocentric theory" or Darwin's "theory of evolution"; and without mental emancipation, Archimedes could not have boldly claimed: "Give me a fulcrum and I can move the world." It is mental emancipation that turns impossibilities into possibilities and realities.

China has made tremendous achievements in national economic and social development since the Third Plenary Session of the 11th CPC Central Committee. This also proves that mental emancipation is a limitless source of power.

First, "reform is emancipating the productive forces." Revolution helps emancipate the productive forces. This is an established theory. The Chinese revolution has abolished the old production relations, overthrown the old superstructure, turned laborers into the masters of their country, and emancipated China's social productive forces. In the last 40-odd years since liberation, our country has made brilliant achievements in economic construction despite difficulties and setbacks. This has been acknowledged by people around the world. But there are conformities and nonconformities between the economic base and the superstructure during the initial period of socialism. Therefore, all sorts of shortcomings are seriously hampering the exhibition of socialist strong points and the further development of the productive forces. In solving this problem, the so-called Western "blue civilization" should not be introduced to replace

the established socialist system because this could mean historical retrogression, the negation of achievements made by millions of revolutionary martyrs, reducing laborers back to exploitation and oppression, and the major destruction of the productive forces. Therefore, under the precondition of preserving socialist production relations and superstructure, we should adjust the nonconformities. This necessitates both major technical transformation and major structural reform. Reform—a self-improving socialist method—should be used to overcome all sorts of shortcomings, to bring into play the initiative and creativity of laborers, and to further emancipate the productive forces. We should say that “reform is also emancipating the productive forces.” This scientific thesis is in itself a product of mental emancipation and also a further call for mental emancipation.

Second, “a stone from other hills may serve to polish one’s own jade.” The purpose of reform is to set up a new structure for the planned commodity economy. Frankly speaking, we do not know much about the commodity economy and we lack experience in it. We should admit that developed capitalist countries have rich experiences in this, some of which we can introduce in light of our national conditions. We should not exclude the commodity economy and large-scale socialized production as something of a capitalist nature. Developed capitalist countries’ experiences in economic development are also achievements in human civilization. We should boldly introduce all achievements in human civilization as long as they are favorable to emancipating and developing the productive forces, to improving our comprehensive national strength, and to enhancing the people’s standard of living.

Third, we should “emancipate the mind and seek truth from facts.” In the last 10 years or so of reform and opening, we have improved our comprehensive national strength and the people support reform and opening up because they have benefited from it. The present international situation is favorable.... We should rely on these realities in emancipating the mind and discover something regular out of them. Emancipating the mind and seeking truth from facts are in dialectical unity. We cannot engage in unrealistic thinking or repeat the wrong practice of “boldness determining production scales.” Neither will it do to be overcautious or miss the opportunity. We should “seek truth from facts” in the course of experiments and move forward in the course of “seeking truth from facts.”

#### **Propaganda Department Official Visits Guangxi**

HK2104095392 Nanning Guangxi People's Radio  
Network in Mandarin 1130 GMT 16 Apr 92

[Text] Xu Weicheng, executive deputy director of the CPC Central Committee Propaganda Department, who has come to Guangxi especially to attend a national conference on exchanging experiences gained by various Armed Police units in strengthening education on faith

in socialism, met with a number of comrades in charge of regional propaganda work this morning.

During the meeting, Deputy Director Xu Weicheng held talks with the comrades in charge of propaganda work on how to study the spirit of Comrade Deng Xiaoping's speeches. He stated: The essence of the spirit of Comrade Deng Xiaoping's speeches can be boiled down to one center, two basic points. Adhering to the party's basic line and promoting economic development have been Comrade Deng Xiaoping's consistent thought.

Xu Weicheng noted: In order to achieve faster development, the less-developed countries must strive to develop the productive forces. In order to push ahead with productive forces development, we must devote more energy to such aspects as capital, market, technology, and labor force. Productive forces development also entails a peaceful domestic and international environment, this being a prerequisite. Now that we already have this prerequisite, we should further quicken the pace of reform and opening up and make redoubled efforts in this endeavor. Nevertheless, the leftist influence is still exerting a negative impact on our work. Some of our comrades are not very good at economic work because they have long engaged in political work. This situation has indeed adversely affected reform and opening up.

Xu Weicheng asserted: Now 80 percent of the people receive information through the news media. Under such circumstances, we must conscientiously study various problems that have cropped up in the course of reform and opening up and discuss ways and means of further improving propaganda work.

#### **Editorial Lauds Law on People's Congress Deputies**

HK2004135292 Hong Kong WEN WEI PO  
in Chinese 18 Apr 92 p 2

[Editorial: “Significance of ‘Law on People's Congress Deputies’”]

[Text] China has witnessed its seventh National People's Congress [NPC] since the first one was convened in 1954. During the 10 years of the Great Cultural Revolution, the people's congress system was severely disrupted. The new Constitution adopted by the Fifth Session of the Fifth NPC in 1982 has stipulated the rights and duties of people's congress deputies.

Nevertheless, as China's supreme organ of state power, the NPC is composed of deputies and its Standing Committee. The question of how people's congress deputies to perform their duties badly needs to be legally standardized and institutionalized. This will help people's congress deputies bring their role into full play in the state's political life.

Through three years or so of repeated revision, the “Law of the People's Republic of China on the NPC and Deputies to the Local People's Congresses at All Levels”

was adopted by the Fifth Session of the Seventh NPC, which concluded at the beginning of this month. Hence, there is a special "Deputies Law" for the deputies to the people's congresses at all levels in China. This is a major step taken in the course of China's political restructuring.

In the past, China's people's congress system was criticized in many ways and even dubbed "a rubber stamp." On the one hand, these criticisms have something to do with the failure to separate the functions of the party from those of the government; on the other hand, they are the result of the absence of laws with which to abide. With the "Deputies Law" currently in place, people's congress deputies can be expected to better exercise their functions and powers.

The "Deputies Law" has summed up deputies' experience in their work and activities and stipulated the rights and duties of the NPC and local people's congress deputies and the requirements and issues that can possibly be solved concerning deputies' performance of duties. It has also stipulated that NPC deputies are members of the supreme organ of state power and deputies to local people's congresses at all levels are members of the local organs of state power. NPC deputies have the right to put motions on the table to address requirements to the "two supremes" (the Supreme People's Court and Supreme Procuratorate).

According to the stipulations of the "Deputies Law," during the sessions of their people's congresses, deputies' activities are all aimed at exercising their functions and powers. To put it another way, in the light of its own national condition, China does not set up a system of full-time parliamentarians. China has a population of 1.1 billion people, with more than 50 nationalities. Its economy is not fairly developed. The educational level of its entire population needs improving and the people's congress system itself also needs constantly improving in practice. This being the case, the condition is not yet ripe for the 3,000 NPC deputies to become full-time parliamentarians. The stipulations of the "Deputies Law" are practical and realistic. Being not full-time parliamentarians does not mean that deputies cannot fully exercise their functions and powers. The "Deputies Law" has a single stipulation, that is, during the people's congress recessions, deputies can form groups to conduct activities and inspections, attend on invitation Standing Committee sessions of the people's congresses in which they are members, heed and reflect the opinions of the masses of the people, and join specially designated investigative committees according to law.

Inspection is one of the major forms of activities carried out by deputies during the people's congress recessions. The "Deputies Law" has a detailed stipulation on that issue. For instance, "in an organized inspection activity, deputies are entitled to make appointments with persons in charge of the related state organs at the same or lower levels." This will help avoid formalism and achieve substantial results in inspection work.

The 13th CPC National Congress set a principle that the CPC should conduct activities within the framework of the Constitution and laws and a requirement that a clear demarcation line should be drawn between the functions of the party and those of the government and the relations between CPC organizations and people's congresses. The ruling party carries out political activities according to law while people's congresses form governments and law enforcement organs in the same way. This is the core substance of socialist democracy, whose superiority will gradually display itself, though at the initial stage.

The "Deputies Law" adopted by the current people's congress, which was the last session of the Seventh NPC, has provided a legal basis and guarantee for deputies to the coming NPC and local people's congresses at all levels to exercise their functions and powers. China's people's congress system will thus be further standardized.

### Students Abroad To Attend Conference in Beijing

OW1804203392 Beijing XINHUA in English  
1435 GMT 18 Apr 92

[Text] Beijing, April 18 (XINHUA)—Thirty-nine Chinese students who are currently studying abroad are scheduled to return to Beijing over the weekend to attend China's largest ever young scientists conference which will begin next week.

The group represents only a small portion of the over 160 such students who have submitted papers to the conference entitled "The Annual Academic Conference of Young Scientists" under the sponsorship of Chinese Association of Science and Technology (CAST).

The group will also represent largest group of students pursuing academic careers in foreign countries to have returned to China on a temporary basis, according to sources, who stressed that they will be allowed to come and go freely.

Some of the students, most of whom are pursuing doctoral or post-doctoral degrees in 11 countries, including the United States, Britain, France, Germany, Holland, Canada, Russia, Italy, Austria, and Japan, have been recognized as promising researchers in their particular fields.

Sources from CAST, who began preparing for the annual academic conference three months ago, said that the major portion of the students' travel and accommodations while in Beijing will be paid for by the state.

The conference, which will be held from April 25-28, will also attract five scholars from Taiwan and seven from Hong Kong.

The State Education Commission (SEC) has allocated some 20,000 U.S. dollars to support the travel of the students.

According to informed sources, the annual conference which has attracted over 8,700 academic papers reflects the current academic level of young Chinese scientists.

The opening ceremony will be held in the Great Hall of the People, and will become the first academic conference to have been held. [sentence as received]

Sources say that the conference is expected to raise social respect and government support for young scientists throughout the country.

The meeting sites, which will be located at major universities in the capital, are expected to attract large numbers of college students, and people from other sectors.

### **Nation's Only Pro-Reform Magazine Profiled**

HK1904034892 Hong Kong AFP in English 0117 GMT  
19 April 92

[By William Brent]

[Text] Beijing, April 19 (AFP)—Hunted by Nationalist leader Chiang Kai-shek, a group of young communists risked their lives in the 1940s to print an underground newspaper in the back alleys of the nationalist capital, Chongqing.

In a pale yellow building on the fringes of Beijing, one of the survivors, now 72 and in poor health, has restarted the presses to orchestrate a new revolution—reforming the communist system he helped to power.

For Jiang Yiwei, reform is not just the inevitable path for China; it is also the name of his magazine.

Founded four years ago, Reform is China's only pro-reform publication and has since become a forum for new ideas, with Jiang's bold guidance.

"China's reforms are like a group of people walking through a Beijing alleyway," he said. "They wobble, move back and forth, shout in confusion and knock against each other, but in the end they are still moving forward."

"In the process, there are always conservatives and then there are those advancing," the editor-in-chief said. "But there is no turning back. If you try, there are too many people behind you pressing ahead."

Reform is a major force pushing from behind.

"We're number one when it comes to economic theory," said Xue Xiaohe, Jiang's right-hand woman, who is responsible for getting out the 10,000 copies of the magazine every two months. "We dare to carry things that other publications won't touch."

That includes articles advocating many capitalist-style policies for China, often written by former senior advisors to disgraced communist party chief Zhao Ziyang or pioneering young economists.

The magazine, its cover emblazoned with the word "Reform" in both Chinese and English, does not advocate multi-party politics nor privatization of the Chinese economy. But it has become a primer for the country's top leaders, many of whom seek out Jiang's counsel on reform policy.

Senior leader Deng Xiaoping, the architect of China's 13-year-old reforms, might just as well have used Reform as his blueprint.

"Everything that Deng Xiaoping has said, I've said before," Jiang said in a interview at his cubbyhole of an office that serves as the magazine's editorial department.

Jiang, one of China's earliest backers of shareholding, held a symposium two years ago that reached the same conclusion Deng did recently while launching a new push for reform: capitalism is not anti-socialist and can be utilized in China.

"Elements of capitalism are not capitalist," Jiang contended. "If you are a capitalist, are the clothes you wear capitalism? Is the food you eat capitalism? Is the way you eat capitalism?"

The reform guru spends much of his time now in hospital being treated for lung cancer and frequent coughs seem to shake his wisp-like body to the core.

Jiang started the magazine in January 1988 and returned to his native Sichuan Province for support. Under the Chongqing Academy of Social Sciences, Reform has only to answer to him, making it virtually independent.

"We accept articles with all points of view, anything that is beneficial for reform," said Xue, who heads the editorial department.

Reform has been likened to the World Economic Herald, a liberal Shanghai-based newspaper shut down for challenging the government during the 1989 pro-democracy movement, which came to bloody end on June 4 of that year.

But Jiang knows his limits and the Communist Party veteran's magazine focuses mainly on "intra-system reform," thus avoiding the wrath of China's hardline ideological watchdogs.

"People are keeping an eye on us," he said. "On June 4, they were displeased with some things, but they couldn't do anything about it."

In a sign of the respect Jiang and his magazine command, two important figures of the 1989 movement, Yu Guangyuan and Tong Dalin, took part in a heated discussion held by Reform last month.

Tong, a former advisor to party chief Zhao, and Yu, who backs a major overhaul of socialism, joined 30 of China's most influential minds to make a harsh critique of Marxist ideologues.

Papers presented at the discussion, which also included senior liberal economists who advise the Chinese cabinet, will make up Reform's next issue, and Jiang says more articles on political reform will follow.

Still, for all of his support for reform, Jiang's magazine, published in Chongqing, where five decades ago he distributed for free the underground paper Forward, could still use a lesson in marketing.

With a chuckle, he admitted: "We lose money."

#### **Reportage on Nationwide Housing Reform, Issues**

*OW1604131492 Beijing XINHUA Domestic Service  
in Chinese 2113 GMT 15 Apr 92*

[By reporters Li Nanling (2621 0589 3781) and Li Li (2621 5461)]

[Text] Beijing, 16 Apr (XINHUA)—After 10 years of discussion, exploration, and experiment, the reform of China's urban housing system has at last been started in an all-around way. The broad masses of the people are full of enthusiasm and expectation for the housing system reform. Local governments are actively formulating and implementing housing reform plans; it has become a general trend across the country.

The housing system reform is gradually spreading from city to city. Before 1990, 20 cities and 30 counties and towns had put forward housing system reform plans and a number of cities had conducted experiments on reforming certain items of the housing system. Since 1991, seven provinces and municipalities—Shanghai, Tianjin, Henan, Shaanxi, Jiangsu, Liaoning and Zhejiang—have begun to carry out their housing reform plans with the approval of the State Council's leading group for housing system reform. Particularly since the second national conference on housing system reform, the reform has spread rapidly across the country, and such provinces, municipalities, and autonomous regions as Beijing, Guangdong, Sichuan, Guizhou, and Inner Mongolia have also started the reform. It has been reported that the reform will be started in all provinces within this year.

The housing system reform has advanced from counties and towns to big cities, including such provincial capitals as Guangzhou, Chengdu, Taiyuan, Shenyang, Wuhan, Harbin, Nanchang, and Xian, as well as a number of cities with provincial-level economic decisionmaking authority, such as Chongqing, Ningbo, and Shenzhen. Each of them has its salient features in the housing system reform. Many large state-owned enterprises, showing great enthusiasm for the reform, have taken the lead in starting it. For instance, the Luoyang No. 1 Tractor Plant, the Taiyuan Iron and Steel Company, the Anshan Iron and Steel Company, the No. 5 Construction Company of the Ministry of Metallurgical Industry, the No. 2 Motor Vehicle Manufacturing Plant, the Dongbei Pharmaceutical General Plant, and the Jincheng Paper

Mill are vanguards in local housing system reform. They have provided useful experiences in local housing reform.

Party and government organizations have begun to take action. While the housing system reform plans of central organs and state organs are pending approval, provincial and city party and government organs have already joined the local housing reform. The People's Liberation Army has finalized its housing system reform plan and will begin the reform throughout the Army in July this year.

At present, the housing system reform has advanced from single item reform to comprehensive reform. In the past, most localities tried to make a breakthrough only in certain areas. Some of them tried to pool housing construction funds, or demanded compensation for solving housing-related problems. Others mainly raised rents or started the practice of selling houses. Some organizations adopted several methods simultaneously in their pilot housing reform, but they did not carry out a comprehensive housing system reform based on a well-conceived concept. With the deepening of the reform in those organizations, the reform as a whole has extended to all housing-related areas. Most of the newly-started housing system reform plans in various localities pay more attention to the solution of overall housing problems.

The housing reform in some cities and organizations has proven that it has begun to mature due to diversification of the reform plan. Shenzhen has adopted the housing system reform formula of "raising rents to a reasonable level at one stroke and promoting housing sales with higher rents," and thus raised both the rents and prices of houses at one stroke to a level commensurate to the cost. Over the last four years, it has sold 34,000 new and old public houses, recovered more than 600 million yuan from the sales, and established a government housing fund and an enterprise housing fund. The city housing management bureau has already spent 135 million yuan from the government housing fund on improving two large housing areas and on building a 126,000-square-meter new housing area. The housing fund has now begun its second turn-over. The housing system reform in Yantai City is aimed at making continuous use of existing housing funds and drastically raising rents. The rent raise can not only provide some funding for new housing construction, but also curb the occupation of excessive housing. According to incomplete statistics, some 1,500 families have vacated excessive housing, and more than 3,000 families have moved into smaller houses. The average floor space per family in a new house built after the housing system reform is 5 square meters smaller than an old house. Liaozhong County in Liaoning Province has started its housing system reform by simultaneously selling old houses and building new ones. Over the last few years, the county has sold 90 percent of the old public houses to their occupants. At the same time, more than 200 apartment buildings with a total floor space of 570,000 square meters have been built in the county, with 86 percent of the costs borne by

the occupants—workers and staff members. At present, the per-capita area of housing occupancy in Liaozhong County has risen from 4.6 square meters to more than 10 square meters, and all the residents have convenient housing. The Jincheng Paper Mill, a large enterprise with a payroll of some 10,000, had a critical housing shortage in the past. In the course of the housing system reform over the last several years, it has raised 25.19 million yuan from among the workers and staff members and built 2,148 units of cooperative housing with a total floor space of more than 980,000 square meters. It has thus improved the housing conditions for most of its workers and staff members, completely solved the problem for those who needed housing badly, and increased the per-capita housing occupancy to 8.7 square meters.

### Burden Sharing as Transitional Measure

OW1404123692 Beijing XINHUA in English  
1149 GMT 14 Apr 92

[Text] Beijing, April 14 (XINHUA)—(Editor's note: The following is a series of stories on the housing reform which will have a profound impact on 300 million urban residents in China. Since 1949 China has used a housing system which essentially allocates free housing to urban residents who only pay a nominal rent equal to or less than three percent of their wages. Since such a housing system resulted in a chronic housing shortage, as well as unfair distribution and malpractices, the Chinese Government initiated a determined effort to reform the housing system a decade ago.)

Sharing the burden for housing construction and maintenance is considered a transitional measure to bridge the gap during transformation from a welfare housing system to the commercialization of residential housing. The measure is undergoing widespread experimentation throughout China.

Zhou Yongzhi, an employee of the Jincheng paper factory in Liaoning Province, recently invested 10,500 yuan to purchase an apartment in the factory's residential housing complex. One factory official said that the money spent by Zhou represented only a small portion of the factory's construction costs. According to the official, the overall investment involved the construction of water, power and heat supply networks and other infrastructures. He noted that the factory was exempted from paying the taxes.

Deputy Director Sheng Jianhui said the factory had invested over 21 million yuan during 1990 and 1991 to build 25 buildings with a floor space of 75,000 square meters. The buildings were sufficiently large to house 1,450 families, providing each family with a per capita living space of 8.7 square meters, up from the previous 4.47 square meters.

In the past, the factory, which employs 11,000 workers, had an annual housing construction budget of only 400,000 yuan, a figure sufficient to build only a few dozen apartments. As a result, over 500 families had no

housing, and the 3,000 young workers who reached the marriage age each year caused the list to swell.

"The factory was at the end of its rope before it adopted new measures," said the official, adding that the new measures coincided with the basic housing reform guidelines in urban areas.

Chen Jinhua, who heads the State Council's leading group in charge of housing reform, said: "Housing reform must start the government, enterprises, institutions and individuals sharing the burden."

Gu Yuchang, a housing researcher, said that the basis for burden sharing lies in the growth of individual expenditures for housing.

Liu Qi, the Beijing municipal official in charge of housing reform, said burden sharing will serve as a bridge during the transition from a welfare housing system to commercialization. "At the beginning of the reform, individuals must assume a small share of costs, while the state government, and enterprises and institutions will invest the major portion. However, the portion of the burden on individuals should increase gradually."

Official statistics show that the change is possible. For example, by the end of 1991, the bank savings of China's rural and urban residents exceeded 910 billion yuan, and with the addition of cash and bonds disposable funds surpassed 1,000 billion yuan.

Qi Liang, an official of the State Planning Commission, said: "The conditions are right for individuals to increase housing expenditures, and readjust consumption patterns in line with housing reform."

In fact, China's housing reform, which actually began in the early 1980s, has focused on burden sharing, even though different localities stressed different models.

Ba Zhongding, a Yantai City official, and his family live in a 91.6 square meter apartment. While in the past, the family paid rent of only 6.7 yuan, in 1987 city initiated housing reform and rents were raised from less than 0.10 yuan to 1.28 yuan per square meter. Since that time the family has paid rent of some 123.98 yuan per month. As part of the reform, the low rental price and high subsidy system was changed and cash subsidies equal to 23.5 percent of monthly wages were paid. The net effect was that real housing expenditures for Ba's family increased by only 57.76 yuan.

On the other hand, Wang Mou, an employee of the Yantai harbor administration, is left with a nine yuan surplus between the increased income and housing expenditures because his family lives in a much smaller apartment.

Tan Yeqing, director of the city's housing reform office, said that because of reform some 1,500 families have relinquished surplus housing, while over 2,000 families have purchased housing, and 3,000 families have voluntarily moved from large to small houses or apartments.

In many coastal cities, residents are more than willing to purchase housing rather than having to pay rent. For example, Li Qiusha, a female worker in Shenzhen, recently just purchased a three-bedroom apartment on a 15 year installment plan. She told reporters: "Renting a house is not worthwhile when compared to purchasing. When purchasing a house, the earlier, the better, and many Shenzhen residents have made such purchases."

Dong Richen, director of the Shenzhen housing reform office, said that the goal of the city is to convince more people to purchase residential housing since such purchases will accelerate the circulation of funds and housing construction. Shenzhen's rental rates and housing prices are based on cost, and residents receive subsidies.

According to Dong, Shenzhen plans to realize the total commercialization of housing in four stages: Firstly, prices will be based on partial costs, that is, residents will be allowed to rent or purchase housing at a price based on the construction costs, while the land development fund will be underwritten by the national government; secondly, prices will be based on cost and the state will neither gain a profit or suffer a loss; next, the planned housing price will approach the market price and state investment will begin to earn a profit; and, finally, the price will be determined by the market.

The four-stage plan has encouraged Shenzhen citizens to invest in housing, and over the past four years, local residents have invested over 700 million yuan which has allowed the government to recover over 60 percent of investments in housing construction, and 70 percent in maintenance fees.

Gongyi City, in central China's Henan Province, adopted a model housing program which emphasized pooling funds for housing construction. Over the past four years, the city has collected over 88.29 million yuan, including 54.54 million yuan from individuals, and has completed residential construction of over 370,000 square meters. Individuals are not only responsible for construction fees, but are also responsible for a portion of the investment in basic facilities.

However, housing reform initiated in Shanghai in May 1991 entered a new era in which such reform extended to the country's larger cities. The city's reform measures included raising rental rates and providing subsidies, as well as establishing a public housing fund. The monthly rental rates in the city have increased from 0.28 yuan to 0.45 yuan per square meter, while state subsidies have increased to where they equal two percent of monthly wages, and an additional five percent is collected for the public housing fund. Other measures include the availability of housing construction bonds, preferential treatment for house buyers and establishment of an authoritative housing committee.

Shen Guanche, a housing committee official, said that while new measures should be practical and accepted by the people, the final goal is the commercialization of housing.

In fact, Shanghai's model for housing reform is quite flexible, and enterprises or institutions with adequate resources can accelerate reform, while others can undertake reform on a smaller scale.

Beijing became the only city to raise rents without providing subsidies. Liu Qi, vice director of the municipal housing reform office, said that, at present, Beijing plans to maintain the current wage system and let its citizens pay their due share. However, the city plans to reform both its wage and housing distribution systems.

To date, over 300 Chinese cities have adopted various housing reform measures.

### Reactions to Reform Examined

OW1504081092 Beijing XINHUA in English  
0641 GMT 15 Apr 92

[Text] Beijing, April 14 (XINHUA)—(Editor's note: The following is a series of stories on the housing reform which will have a profound impact on 300 million urban residents in China. Since 1949 China has used a housing system which essentially allocates free housing to urban residents who only pay nominal rents equal to or less than three percent of their wages. Since such a housing system resulted in a chronic housing shortage, as well as unfair distribution and malpractices, the Chinese government initiated a determined effort to reform the system a decade ago.)

The acceleration of China's housing reform has aroused various reactions among all social strata from state leaders to ordinary people. A typical one is seeking fair terms though different people have different explanations of fair terms.

Jia Qingquan, a worker of the Shenyang Liming Engine Manufacturing Company, has two sons and a daughter. The family of five lived in a one-bedroom apartment though his youngest child, the daughter, was 18 years old. When the company announced that it would no longer allocate houses free of charge to workers and only those who could pay a considerable sum of money would be qualified to have apartments five years ago, Jia said the news was a dawn for him.

"Though we have to set aside about 200 yuan (about the average monthly wage of a worker) a month, we are all for the new measure. We would rather live without a color TV or refrigerator than in overcrowded conditions."

Employees and their family members amount to 100,000 in Jia's company. In 1986 the residential houses in the company averaged only 2.8 square meters per capita.

The housing condition has forced many people to transfer to other enterprises. The company had to adopt the new measure in 1986.

Wang Deshen, also a worker in the same company, purchased a one-bedroom apartment at the cost of 7,000 yuan last year. Wang said: "We hope the housing reform will be carried through to the end, because the reform has brought real benefits to us. Though we need not invest a considerable sum in housing in the past, it was almost hopeless for the young worker like me to have an apartment in the near future."

Song Youkun, a driver in Laozhong County, has invested all his bank savings in purchasing an apartment with three bedrooms. He told the reporter: "Though we have spent 28,999 yuan on housing, we are glad because we have a spacious and comfortable apartment finally."

As local authorities have paid attention to solve the problems of the houseless and overcrowded families during the housing reform, those people have enthusiastically and sincerely supported the reform.

But, some people have different opinions. A number of workers in the Shenyang Liming Engine Manufacturing Company said those who had been allocated houses before would pay an increased rent while those who had no houses had to pay a considerable cash down payment. Therefore, it is unfair for the those [passage as received] who had been allocated houses.

An official in Beijing, who is reluctant to mention his name, said: "China's low rent system is pegged to the low wage system. There is a narrow disparity between senior officials and ordinary workers in terms of monthly wages. Housing allocation is one of the sectors to mark the difference. As the country has not reformed the wage system yet, the senior officials, veterans and the retired officials who are now living in spacious apartments have been divested of their only privileges. Moreover, they cannot afford to live in their existing houses if a the [passage as received] rent is raised."

A senior official in Liaoning Province complained: "Our monthly wage is about 200 yuan and we have to spend about 40 yuan on housing. How can we stop the downward trend of the living standard?"

However, the majority can consider the question in a broad spectrum rather than in the view of their own interest. Statistics of Yantai City show that all leading officials in the city have increased expenditures on housing from 20 to 70 yuan a month.

Ba Zhongding, vice secretary of the municipal committee, said: "At the first stage of the reform, some necessary measures are out of the pace of the mainstream. Some people have to bear losses or make sacrifices. We leading officials should first bear the losses."

In Guangzhou City, many people were reluctant to purchase houses because the rent remained low. The leading officials of the municipal housing reform office

persuaded their family members to move out of low-rent houses and live in houses at their own expense. Many people followed suit afterward.

Generally, people in economically developed areas are more ready to accept the reform measures. In Shenzhen, the first special economic zone in China, many government officials, despite their low wages, have purchased houses with loans. Their explanation is simple: "the 10-year rent is enough to purchase an apartment. Why not invest in the real asset for ourselves?"

At the same time, many people are not satisfied with the slow pace of the housing reform, because it is not fair for those who have purchased houses when many people living in allocated houses still pay a nominal rent.

Due to the conflict of interest among different social strata, complications of the existing housing system, disparity in different areas and other factors, the housing reform in China is confronted with many difficulties and risks. Yu Zhensheng, mayor of Qingdao City, said that the housing reform must be carried out in a manner of "protracted warfare."

Even the ordinary workers often have insight in this aspect. Li Zhixian, a worker of the Shanghai No. 3 Wool Mill, said: "We do not expect that with the housing reform all questions can be solved overnight. However, two points are clear now: The housing reform will accelerate construction speed and restrain the abnormal demand, especially abuse of power, in housing distribution.

#### **'Profound Impact' Assessed**

OW1604120092 Beijing XINHUA in English  
1125 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—(Editor's note: The following is a series of stories on the housing reform which will have a profound impact on 300 million urban residents in China. Since 1949 China has used a housing system which essentially allocates free housing to urban residents who only pay nominal rents equal to or less than three percent of their wages. Since such a housing system resulted in a chronic housing shortage, as well as unfair distribution and malpractices, the Chinese Government initiated a determined effort to reform the system a decade ago.)

Zhao Keren, 32, a worker of the Liaoning Jincheng paper-making factory, got married six years ago. But, Zhao and his wife had to live apart because they had no house.

Moreover, 500 couples were houseless like the Zhaos in the Jincheng paper-making factory, the biggest of its kind.

The factory, with over 10,000 employees, could only earmark 400,000 yuan (80,000 U.S. dollars) each year for construction of residential houses a few years ago. The factory started the housing reform and called on workers to pool funds to build houses four years ago.

Zhao spent 14,500 yuan to purchase a 47-square-meter apartment last year. "I have not only poured all of my bank savings, but also borrowed 5,000 yuan to purchase the apartment. My wife and I have a combined income of 400 yuan a month. We have to set aside 250 yuan to pay back the debts. Though we have to live an austere life now, we are at ease in the new room of our own."

The factory has collected 25.19 million yuan to build 2,146 apartments in recent years. The average residential floor space has jumped from 4.47 square meters to 8.7 square meters. Though many employees are in debt for purchasing houses, they are willing to solve the housing shortage this way.

In southwestern China, a survey made by the Chengdu branch of the industrial and commercial bank shows that 20 percent of the residents deposit money for purchasing houses.

In Shenzhen the local residents spend about 10.8 percent of their monthly income on housing nowadays. By the end of last August, Shenzhen had sold out 39,400 apartments and recovered 616 million yuan of investment.

Though the housing reform has been carried out for a few years, a growing number of people are ready to accept the concept that housing is a commodity and part of the individuals' consumption. This is a great progress for the urban residents who used to live in welfare houses with nominal rent.

Noted Chinese economist Ma Hong said: "In terms of durable goods, in the past decade China has completed the process which took a half century in developed countries. The lop-sided consumption pattern was closely linked with the extremely low expenditures on housing."

Since the expenditures on housing accounted for less than two percent of the monthly income, the residents would surely divert their disposable funds to food, clothing and other consumer goods, thus executing a great pressure on the domestic market.

Chinese authoritative departments estimated that the retail sales in 1991 amounted to 938.8 billion yuan, of which the consumer goods came to 827.7 billion yuan. China's bank savings reached 911 billion yuan by the end of 1991, 207 billion yuan more than the previous year.

At the same time, the chronic housing shortage continued though the government and enterprises had invested heavily in the construction of houses in the past decade. Eight million households still live in overcrowded conditions or are houseless and two million newly married couples execute new pressures on the housing problem each year. On the other hand, the market remains sluggish and many consumer goods are overstocked, which results in the poor performance of enterprises.

China needs to restructure its industries and the consumption pattern in China should be readjusted in the 1990s.

In this aspect, some people suggested to import large-screen or high resolution TV sets, some proposed development of private cars. But, more people stressed the housing should become a part of the individual consumption. An apartment can control the consumption pattern of a family for decades. Moreover, investment in housing will promote development of some 50 industries such as building materials, metallurgical, machine-building, electronic, furniture production and decoration. Only if housing becomes the leading item of consumer goods will China's market become a mature market with a rational consumption pattern.

A growing number of people also realized that the housing reform will promote the national economy to take on a road of healthy development.

Vice Premier Zou Jiahua said the housing reform is aimed at housing commercialization—the housing should become the biggest item of the consumer goods.

Li Guoling, an official of the Huaxian County housing reform office, in Guangdong Province, said, since 1989 the county has sold 95.9 percent of the public houses. After purchasing houses, the residents invested heavily in the decoration of the houses. Statistics of the 4,000 households show each household has spent over 5,000 yuan on decoration. Local residents' expenditures on housing have jumped from two percent to 20 percent of their monthly income. Moreover, the shops of building materials and decoration firms have jumped from five to over 100 in the past two years.

Though the housing commercialization must undergo a very long and tortuous process, it will surely become a dominant consumption item in the 1990s.

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## Science & Technology

### Coverage of CAS 6th General Assembly Meeting

#### 500 Top Scientists To Attend

OW1604120592 Beijing XINHUA in English  
1135 GMT 16 Apr 92

[Text] Beijing, April 16 (XINHUA)—The Chinese Academy of Sciences (CAS) will convene its sixth general assembly next week, which is expected to draw some 500 top scientists to offer scientific advice and proposals to the government.

The scientists, all of them members of the prestigious academy, will also hold debates on some of the hot topics in science in an atmosphere of academic freedom known as "letting a hundred schools of thought contend".

CAS is the top scientific advisory body to the Chinese government, and membership is the highest academic title for Chinese scientists. The academy last convened its general assembly in 1984.

The coming assembly will elect a new leadership to the academy's presidium.

According to a CAS spokesman, the assembly will also vote and pass an act of the academy which would allow scientists from Hong Kong, Macao and Taiwan to be elected to it.

But no decision will be made as to the eligibility of foreign scientists for membership, the spokesman said.

At present, the membership of CAS totals 509.

In order to strengthen the ties between the government and scientists, the spokesman said, the general assembly will also appoint government officials to be advisors to the academy's presidium.

### CAS President Zhou Speaks

OW2004125192 Beijing XINHUA in English  
1237 GMT 20 Apr 92

[Text] Beijing, April 20 (XINHUA)—As China's highest academic institution composed by the country's first-class scientists, the Chinese Academy of Sciences (CAS) will air its own opinions on the important issues concerning the national economy and social development from a scientific approach, according to a senior Chinese scientist.

Zhou Guangzhao, CAS president, made the remark today at the 6th general assembly of the members of CAS which opened here today.

Zhou said to ensure the sound development of a society, it is necessary that independent voices from scientific organizations be heard. Since CAS boasts the country's highest academic authority, we should make careful analysis in a down-to-earth manner and offer timely and practical opinions based on our scientific studies.

CAS divisions should organize academic debates on important issues relating to the national economic construction and social development, and in this way cas will gradually build itself into a research and consultant center, said Zhou.

To that end, CAS needs to further emancipate minds, be bold to take in the managerial methods and layouts of the national academy generally practised in the developed countries.

At present, said Zhou, CAS must make careful studies of domestic and world situations as well as the tasks facing the Chinese scientific circles, make efforts to bring into full play the potential of all the cas members so as to effectively pool and put into practice the wisdom of these experts from various fields.

The 1990s is the crucial period for China's modernization drive which hinges on the advance of science and technology. Zhou urged all the CAS members to make greater contributions to the country's construction cause.

"We must be responsible to science, to our country and to history," Zhou stressed.

### More on Zhou's Address

OW2104033092 Beijing XINHUA Domestic Service  
in Chinese 1101 GMT 20 Apr 92

[Text] Beijing, 20 April (XINHUA)—Addressing the opening session of the sixth general assembly of the members of the Scientific Council of the Chinese Academy of Sciences today, CAS President Zhou Guangzhao said: The rapid development of science and technology and the increased interaction between society and science and technology are ushering in a new period of accelerated economic and social changes and development. Under the present circumstances, fully understanding and bringing into play the revolutionary role of

science and technology are of great significance to China's science and technology circles.

Zhou Guangzhao pointed out: Acceleration of social changes is an important characteristic of modern society. Although it has many causes, one of the direct causes is the rapid development of modern information science and technology. During the eighties, both the speed and the storage capacity of computers have increased more than 1,000 times. The speed of large computers had reached around 10 billion per second [passage as received] by the end of the eighties and is expected to reach a trillion by 1995. The rapid increase of the speed of information processing and transmission and the popularization of comprehensive digital networks will inevitably lead to acceleration of social changes.

He said: To view this from a more profound level, the uneven changes and development of the different components of a system are the result of interaction between components themselves. The stronger the interaction is, the greater the speed of change becomes. Take the system of science for example. The interaction between different disciplines leads to new, growing interdisciplinary academic fields, and this has in turn made modern science develop more rapidly. The interaction between science and economics pushes forward the growth of information and material sciences—the most active scientific fields at the present time—which in turn has led to the birth of a series of advanced and new technology industries. The virtuous circle in which economic needs stimulate the development of science and the development of science promotes economic progress is both dictated by the law of economic and scientific development and the result of the increasingly growing interaction between the economics and science.

Zhou Guangzhao held: To take a broader view, politics, culture, ideology, and even the lifestyle of human beings are increasingly interacting with the system of science. The strong interaction between them may lead to a virtuous circle similar to that between science and economics and may become the principal force pushing human society to move forward. Only when we try to understand from this angle Comrade Deng Xiaoping's scientific thesis that science and technology is the first productive force can we fully comprehend its rich content.

Engels said that Marx "regards science first as a powerful lever of history and as a revolutionary force in the highest sense of the word." Comrade Mao Zedong also listed scientific experiment and class and production struggles as two major revolutionary practices of mankind and the principal forces for understanding and transforming the world and promoting social progress.

Zhou Guangzhao said: Today, as the most active productive force, science and technology is, to a large extent, influencing and changing the strategy, organization, and methods of all kinds of human activities, from production to military. It can be predicted that the 21st century will be an information and intelligence era in which

machines will partially replace human beings' mental work, and ideas, technologies, and capitals will flow rapidly throughout the globe; it will be a biological era in which genes will be controlled and changed to create new species to meet the needs of human beings; it will be a fierce competitive era in which automation systems composed of new and synthetic materials will be used and a variety of colorful products in small batches will fill the market; and it will be an era in which human beings learn to live in harmony with nature to achieve sustained, steady growth.

The nineties is a critical period for China. Zhou Guangzhao said: We must adapt ourselves to the fiercely competitive and rapidly changing international environment caused by the rapid development of science and technology in the world. This requires us to create, through reform, a mechanism which conforms with the law of scientific and technological and social development and enables economics and science and technology to promote each other and develop together in a virtuous circle. On the basis of respecting objective laws, we must accelerate the pace of reforming the scientific and technological structure and mobilize the initiative of the vast number of scientific and technological personnel to make historical contributions to China's economic construction and social and scientific and technological development at a period crucial to the destiny of our nation. Our task is extremely arduous, and our foundation and conditions are inferior to those of the developed countries. However, in light of the heavy historical burden and our nation's call, we have no other choice but to pluck our spirits and work hard to catch up with the advanced scientific and technological levels of the world.

#### Zhou on Investment Funds Shortage

OW2104080592 Beijing XINHUA Domestic Service  
in Chinese 1107 GMT 20 Apr 92

["Zhou Guangzhao Advances Proposals for Accelerating Our Country's Scientific and Technological Development"—XINHUA headline]

[Text] Beijing, 20 April (XINHUA)—How do we solve the problem of a serious lack of investment funds for scientific research, which has long troubled the scientific and technological community, and how do we solve the serious problem of scientific research being divorced from the economy? Zhou Guangzhao, president of the Chinese Academy of Sciences, proposed a number of suggestions at today's Sixth Academic Council of the CAS. They include opening more channels to increase investments in science and technology, devoting major scientific and technological forces to the main battlefield of economic construction, and maintaining relative stability in scientific and technological policy in order to accelerate the development of both the economy and science and technology.

Zhou Guangzhao noted that discussion of these issues over the years has attracted great concern in various

quarters. However, a mere call for action will not resolve the matter. Instead, Zhou Guangzhao said a cool-headed approach is needed to analyze existing problems and difficulties and a solution should be found and implemented in earnest in a spirit of seeking truth from facts.

He said that more channels should be explored to increase investments in science and technology and efforts should be made to raise investments in science and technology to 1.5 percent of GNP by the year 2000. Insufficient investments in science and technology over the past several years have even made it difficult for personnel engaged in some areas of basic research to continue their work. People have raised questions about this problem before, but few recognize its seriousness. By seriously taking steps to protect intellectual property rights in our country, by establishing a system to evaluate scientific results and encourage scientific research modelled on international standards, and by rendering major support to some innovative basic research institutes, we could help raise the social status of science and technology personnel in society and help pool funds from society. Limited available funds could also be selectively funneled to research projects and scientific units that show promise of yielding really valuable and innovative discoveries.

He said the practice of some departments that refuse to let go of their personnel should be broken. Efforts should be made to attract highly qualified scientists and technicians to work at the main battle fronts of economic construction. The problem at hand primarily lies in the proper solution to the matter of a harmonious integration between science and the economy. We should boldly introduce a market mechanism and apply economic principles when it comes to the economic matters. Through competition, we should strive to organize some comprehensive and export-oriented high-technology industrial conglomerates. It is hoped that these conglomerates help bring about a readjustment of our country's industrial structure, make our country gradually evolve from the present mainly labor-intensive industrial structure to an intellect-intensive one, and bring about a strategic shift in our country's economy. In order to develop our own high-technology industry, first we must fully make use of our country's strong pool of science and technology personnel, strive to make the state's major scientific results market-oriented, encourage our science and technology personnel to help relevant enterprises achieve integration of scientific research and production, and help them gradually move into high-technology industry. Second, preferential policy should be continuously given to support existing high and new technology enterprises. Priority should also be given to support enterprises to enable them to grow and become engaged in high-tech industry.

Zhou Guangzhao also stressed the need to maintain a relative stability in scientific policy, so as to create a political environment that would bring out the initiative from intellectuals and the working people and make them unite in carrying out a good struggle. He also called

for a social trend that stresses good ethics and a sound legal system. Further reform, structural adjustment and reorganization, raising the research level in basic science, accelerating the process of transforming scientific results, and helping scientists and technicians display their talents should proceed on this basis. At the same time, it is necessary to promote further opening, fully make use of foreign advances in science, technology, and management experience, and strengthen scientific and technological exchanges and cooperation with foreign countries in order to strengthen our independent innovative power and self-reliance capability and accelerate our country's economic and scientific development.

### Li Peng Speech

OW2004143392 Beijing XINHUA Domestic Service  
in Chinese 1025 GMT 20 Apr 92

[Report on speech by Premier Li Peng at a meeting of the Academic Council of the Chinese Academy of Sciences on 20 April in Beijing]

[Text] Beijing, 20 Apr (XINHUA)—Premier Li Peng gave an important speech at the meeting of members of the Academic Council of the Chinese Academy of Sciences, which opened today. He said: The CPC and the government always attaches great importance to the strategic role which science and technology play in economic construction. In the past 10 years or so, the government, adhering to the party's basic line characterized by "one center and two basic points," has drawn up the general policy that "economic construction must count on science and technology, and scientific and technological affairs must be geared to the needs of economic construction." All governments and departments, science research organs, and large and medium-sized enterprises must draw up specific plans for scientific and technological development in accordance with the state's master plan for reform and development.

Li Peng said: We must now continue to speed up the pace of reforming the management of science and technology, so that we can mobilize and attract the vast number of scientists and technicians to take part in developing socialist productive forces and developing the national economy. Our large and medium-size enterprises are now confronted with the tasks of replacing their mechanisms, restructuring their operation, and upgrading their technology. The main objective is to improve their efficiency and increase their vitality. We can say that this is a tough economic battle, and that the impetus from modern science and technology will play a decisive role. The reform of the management of science and technology and the reform of operating mechanisms should not only enable scientific research programs to yield more results faster, but they should also be able to accelerate the process of turning scientific and technological research results into productive forces in society. The 27 zones that have been set up for developing high- and new-technology industries, and the experiences of integrating agriculture, science, and education that have

been introduced on the agricultural front have already yielded good economic and social benefits. It is hoped that people working on the scientific and technological front will continue to make efforts to commercialize and industrialize achievements they have made in scientific and technological research. I also hope they will conduct experiments boldly and be brave to bring forth new ideas so that they can continue to contribute to economic development.

Li Peng pointed out that a small group of talented scientists and technicians should be formed to intensify high-technology research and basic research. He said: Science and technology have now permeated into all sectors of human society, and the broadness of this permeation is unprecedented. Each breakthrough achieved in the sphere of high technology has often triggered the appearance of many new industries, generating a great impact on the national economy. While doing their research, our scientists and technicians should aim at the forefront of sciences in the world. Their starting point should be high. They must have lofty ambitions and the courage to compete in the world arena of sciences and to win glory for the country. We must be determined to build a small contingent of scientists and technicians who dare to tackle tough problems and have the courage to scale the heights of sciences. It is hoped our veteran scientists will provide guidance and our middle-aged scientists will act as the mainstay. We should also pay special attention to providing good conditions for outstanding young people and encourage them to give full scope to their talents when their research capabilities are at their best. High-technology research and basic research cannot be separated from international cooperation and exchange. This being the case, we must always keep pace with the world's scientific and technological development, assimilate and emulate the latest technology, and bring in modern equipment.

Li Peng emphasized that scientists should give full scope to their consultative role so that correctness of major decisions can be ensured. He said: Many important subjects will be placed on the agenda during the process of speeding up economic construction. More often than not, the formulation of each and every important plan, or the decision for each and every major project, is a complex system engineering project. To make a success of this project, experience and zeal alone are not enough. There must be scientific and democratic decisions. Scientists, experts, and technicians in particular must take part in the feasibility study, and their views must be heeded. Governments and departments at all levels, whenever they have to make a decision which is relevant to the national economy and people's livelihood, should seek the views of scientists and technicians of relevant authorities, or organize them to assess their decision. They should also take gradual steps to set up the necessary regulations and rules.

Li Peng said that he welcomes students studying overseas to return home at appropriate times to join the

ranks of people engaged in China's four-modernization drive. He pointed out: Over the past 100 years or so, many people with lofty ideals have fought for their ideals of rejuvenating the nation and building a prosperous and strong country with happy people. Today the development of China's modernization drive has provided extremely good opportunities for scientists and technicians who wish to serve the country. General Secretary Jiang Zemin said at the fourth national congress of the China Science and Technology Association last year that "the 1990s is a golden age for scientists and technicians to achieve their grand objectives." We hope the vast number of scientists and technicians, including students who have gone abroad in one way or another, will carry forward Chinese intellectuals' fine traditions of loving their motherland and being willing to contribute to their country, will throw themselves actively into the torrents of socialist modernization, and will make new contributions to the drive. Li Peng added that he hoped all academic council members will play important parts at their respective posts, such as: Taking the initiative in scaling the heights of science so that they can continue to bring forth new ideas and make new discoveries; maintaining and carrying forward the fine study style and set examples for scientists, technicians, and all intellectuals in the country; and making constant efforts to discover talented people and make painstaking efforts to cultivate them so that China's scientific and technological development can thrive and go on from one generation to another.

#### XINHUA Views CAS Fellows' Contributions

OW1804160492 Beijing XINHUA Domestic Service  
in Chinese 0511 GMT 17 Apr 92

[By reporter Chen Jinwu (7115 6855 2976)]

[Text] Beijing, 17 April (XINHUA)—Division fellows of the Chinese Academy of Sciences have made enormous contributions to the development of science and technology in China. In recent years, they have, on their own accord, offered many important advice and proposals on certain major issues concerning China's scientific and technological progress and national economic development. As their advice and proposals have been highly valued by the party and the state, they have rendered, once again, meritorious services to China's four modernizations drive.

A CAS Division Fellowship is the highest academic title for Chinese scientists, representing a prestigious honor and academic authority. While making scholastic contributions to China's scientific and technological fields, CAS Division Fellows, in light of the country's overall interests, have overcome various interdepartmental, regional, industrial, and professional restrictions and have made a series of important and strategically significant proposals and advice concerning the state's overall situation. Policies that have been made in accordance with CAS Division Fellows' proposals include: The establishment of the China's Natural Sciences Fund, a

discovery expedition in the Antarctic, the formulation and implementation of China's "863" High-Technology Development Program, and the State Education Commission system across China's experiment on the measure whereby academic heads are employed through an open application mechanism.

To demonstrate the CAS Division Fellows' overall superiority and to enable them to play their role as a group, various CAS Divisions have organized the former to participate and take charge of research and study on major issues, including China's structure of economic development, the harnessing of the Huang He River and the development of the Huang He River Basin, the development of energy resources and marine resources, and the rational utilization of aquatic resources. Based on their research and study, they have offered advice and have developed proposals and programs. Many leading cadres of the State Council have written comments and instructions on a report, submitted by the CAS Division of Earth Science, entitled: "Research Work on the Harnessing of the Huang He River and Development of the Huang He River Basin Needs a Comprehensive Scheme and a Unified Leadership." This topic has been listed as a problem-tackling scientific and technological program under the "Eighth Five-Year Plan," and arrangements have been earnestly made to implement the program. Six advisory reports have been organized and completed by the CAS Division of Technical Science on development of China's integrated circuits, development of China's computers, rational structure of the telecommunications technology, and education on engineering. Premier Li Peng has instructed the State Planning Commission and other related departments to study and discuss the reports and selectively adopt them in the "Eighth Five-Year Plan."

The State Council has recently published "the State's Program on Long and Medium-Term Scientific and Technological Development," which has adopted substantial portions of the CAS Division Fellows' suggestions and proposals. Hence, the CAS Division Fellows have fully played their role by sharing their enormous scholastic knowledge and scientific experience. This enormously large-scale advisory task has a profound significance and involved heavy responsibilities. Five Divisions of the CAS [mathematics and physics, chemistry, biology, earth science, and technical science] have jointly organized and conscientiously deliberated in the discussions. Despite their old age and poor health, many CAS Division Fellows have actively participated in discussions on special topics and made pertinent proposals, setting up an example of making the process of major state policy-making scientific and democratic.

#### **Commission Outlines Technology Import Guidelines**

HK2104095692 Hong Kong CHING-CHI TAO-PAO  
in Chinese No 13, 6 Apr 92 p 23

["China Economic News" article: "State Commission for Science and Technology Outlines Five Requirements for Import of Technology"]

[Text] The State Commission for Science and Technology recently outlined five requirements for importing technology:

First, technical transformation of the existing enterprises should be stressed. In the use of capital, it is necessary to primarily ensure the transformation and upgrading of the key projects and give consideration to the urgent needs of technical transformation of ordinary enterprises.

Second, give priority to the import of technology and equipment which are conducive to increasing the capacity of export and to developing substitutes, and increase the proportion of import of advanced technological software.

Third, adopt various flexible means, which include technological export, technology-trade cooperation, cooperative design, cooperative production, and compensation trade, to speed up the pace of importing advanced technology.

Fourth, earnestly do well itemizing and in preparatory work for technological import and check the practices of rushing headlong into mass action, importing blindly, and importing unnecessary duplicates.

Fifth, the state should continue to make arrangements for assimilation of major equipment, increase the country's capacity to turn out similar equipment, vigorously coordinate the tackling of key technical problems, and strengthen organizational coordination. All the ministries and localities should also make arrangements for follow-up assimilation at various levels and within a wide scope in light of their practical needs and possibility so as to increase the capacity of self-reliance.

#### **Military**

#### **Officers 'Deeply Impressed' by SEZ Success**

HK2004132292 Hong Kong MING PAO in Chinese  
18 Apr 92 p 6

["Letter From SEZ's" column by Lan Tien (5663 1131): "SEZs' Accomplishments Shock the Military"]

[Text] The third delegation of People's Liberation Army generals concluded their Shenzhen visit not long ago. Upon their departure, they presented models of aircraft, cannons and warships to Shenzhen leading members as an explicit gesture of "escorting" reform and opening up.

Immediately after Deng Xiaoping's inspection tour of southern provinces during the Spring Festival this year, the Central Military Commission issued instructions requiring senior generals of all major military regions to investigate Shenzhen, other SEZ's, and coastal opening cities. Since February, Shenzhen has received 64 generals in three batches, of whom 38 were lieutenant generals and 28 major generals [numbers as published].

The delegations of generals basically followed in Deng Xiaoping's footsteps during his recent southern inspection tour of their activities in Shenzhen, including the Huanggang Port, Zhongying Street in Shatoujiao, Shekou's industrial district, Guomao Building, Minsu Cultural Village, and Shuiwei Village.

It is the bounden duty for a soldier to obey orders. The generals came here on order; naturally, an important task for them was to "learn from the SEZs' advanced experiences." Regarding some "Shenzhen phenomena," however, some senior generals did not find them so agreeable. For example, when the generals visited a classy restaurant in Shenzhen, the waitresses there presented them tea on their knees. At the sight of that, a general exclaimed: "Get up! It has been years since liberation; why should such practice of kneeling become fashionable again?"

Anyway, the fact that Shenzhen, a small frontier town, has developed into the embryo of a modern city in 10 years deeply impressed the generals. For example, the delegations arrived at Shuiwei Village in Shenzhen's Futian District, and witnessed such welfare undertakings as a home for the elderly and a daycare center which sprang up when the village became well-off. One of them wrote a letter to Shenzhen City Government, expressing his hope that the village's experiences would be summarized and spread across China.

Having visited Shenzhen, quite a few generals stated that their Shenzhen visit has enabled them to have a deeper grasp of the correctness of Deng Xiaoping's statement that "the party basic line should not be changed for a hundred years"; departing from reform and opening up, China would never become prosperous and strong.

In recent years, Shenzhen has received some 10,000 demobilized servicemen each year; some of them have already become successful entrepreneurs of considerable wealth. Some generals "shed their uniforms and put on civilian clothes" to visit some of their former subordinates. When the generals saw the modern houses their former subordinates lived in, how they watched Hong Kong TV programs day and night and enjoyed a monthly income three times higher than they used to get in the Army, some of the generals even thought of coming to the SEZ's to start their own business.

But it is easier said than done regarding generals' "demobilization." This being the case, quite a few of them recommended their own children to work in Shenzhen. It was learned that, since last February, Shenzhen City leading members have received some 3,000 letters from their ex-schoolmates, former immediate superiors, and old friends, seeking help to transfer their children to Shenzhen—many of them are sons or brothers of senior military cadres.

In their gossip about the delegations of generals which came one after another, Shenzhen people said that in his recent southern inspection tour, it was quite unusual that "His Excellency Deng Xiaoping" was escorted by Yang

Shangkun and Liu Huaqing, Central Military Commission vice chairmen. Should the great cause of reform and opening be likened to Deng Xiaoping's "offspring," his southern inspection tour at the age of 88 might be compared to "entrusting the child to the care of" the military. It is hoped that the progress of reform and opening up will not be interrupted because of political struggle after Deng. In fact, the Army's current explicit support of reform and opening up is none other than a gesture of "escorting" Deng Xiaoping.

### Editorial Hails NPC, CPPCC Sessions

HK1504130692 Beijing JIEFANGJUN BAO in Chinese  
4 Apr 92 p 1

[Editorial: "Make Fresh Contributions in 'Protecting and Escorting' Reform, Opening Up, and Economic Development—Warmly Congratulating Conclusion of Fifth Sessions of Seventh National People's Congress [NPC] and Seventh Chinese People's Political Consultative Conference [CPPCC] National Committee"]

[Text] The capital of China was full of the beauty of spring. The "two sessions," namely, the Fifth Sessions of the Seventh National People's Congress [NPC] and the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC], which were crowned with great achievements and triumphantly completed their scheduled tasks, ended here one after another. We wish to extend our warmest congratulations to the "two sessions'" complete success.

This year's "two sessions" were two meetings of crucial importance convened at a crucial moment of China's economic and social development. Comrade Deng Xiaoping's recent important talks have made a great wave of faster reform and opening up to the outside world and speedier economic construction, thus pumping up new vitality into the "two sessions." Premier Li Peng's Government Work Report has embodied Comrade Deng Xiaoping's latest expositions on building socialism with Chinese characteristics and given prominence to the theme of firmly implementing the party's basic line and accelerating reform and opening up to the outside world. With a great sense of responsibility and of being the masters of the country, delegates and members attending the sessions fully exercised their democratic rights, said all they knew in discussing state affairs, and pooled their wisdom and strength in discussing matters of vital importance. Hence, the "two sessions" turned out to be characterized by democracy, a realistic approach, unity, and a rousing drive. The successful convening of the two sessions mark the fact that, through three years of improvement and rectification, China's economic construction has ushered in another spring of reform and opening up and economic development. They will be recorded in the Republic's annals with the distinguishing feature of further mobilizing the people of the entire nation to speed up economic development.

As the firm and fixed pursuit of the 1.1 billion Chinese people, speeding up the pace of reform and opening up and economic construction has become an unshakeable will of the state. To this unprecedentedly vast, rich, and profound social change, the clear-cut attitude and slogan of action of the officers and men of the whole Army is to unswervingly implement the party's basic line; support, participate in, and protect reform and opening up to the outside world; and serve as the "protector and escort" for reform and opening up and economic development.

To "protect and escort" reform and opening up and economic development, first of all, we should master Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line based on the theory. This Marxist line has summed up our party's practical experience in leading the cause of socialist construction and reflected the objective demand of the development of social productive forces at the present stage and the aspirations of hundreds of millions of people. Like a beacon shedding brilliant light in all directions, the line points out the advancing course of China's reform and construction and a powerful ideological weapon for distinguishing clearly between right and wrong and rallying people around us in the practice of deepening reform and opening up wider to the outside world. Only when we comprehensively and accurately understand and master the formula of "one center, two basic points" can we overcome right deviation, and in particular, the "left" influence; further emancipate our minds; achieve conceptional transformation and unity in thinking; and have the courage to blaze new trails, overcome dangers and difficulties, and seize victory.

To "protect and escort" reform and opening up and economic development, we should actively support and participate in the state's reform and construction in concrete action. Armed forces do not have any interests independent from those of the state and the people. In the final analysis, national strength is decided by a state's economic might. Developing the national economy as quickly as possible is where the hope of the state and the people lies and so does the hope of our Armed Forces. A soldier's glory is inseparable from the responsibility he shoulders and the contributions he makes. While sharing the achievements of reform and construction together with the people, we should also be ready at any time to work hard and make necessary sacrifices for the sake of faster reform and construction. We should continue to exercise restraint and subordinate ourselves to and serve the overall situation of the state's economic construction. Doing a good job in the work in all fields should then become the conscious action of comrades in the whole Army.

To "protect and escort" reform and opening up and economic development, we should do a good job in Army reform and building. In the last few years, outstanding achievements have been scored in Army reform but in areas such as training, political and logistical work, and national defense research, reform still needs a

lot of hard work. We should take steps to carry out reforms in the fields of endeavor where task completion needs hard efforts. Some relatively complicated reform topics need further exploration. Comrades in the Army must contribute their wisdom and intelligence to carrying out Army reform and building well.

To "protect and escort" reform and opening up and economic development, we should also effectively perform well the functions of armed forces, defend the motherland's security, safeguard social stability, and create a sound environment for reform and opening up to the outside and economic development. Today's world is not tranquil. Some destabilizing factors are still around at home. "To defend the country, we must have a crack force and to achieve general stability in the country, we must rely on the military." All officers and men should be prepared for danger in times of peace at any time, bear their duties firmly in mind, and maintain high vigilance.

The 20th century is an earth-shaking century for the Chinese nation's development, and the 1990's of this century is a decade for the Chinese nation to carry out another great plan. Hope lies in tomorrow but we should unfold struggle today. Our goal has been set and our course charted. Difficulties and dangers in our course are calling us to overcome them. The reform and construction in the new period are waiting for us to give full play to our abilities. Taking it as their mission to "protect and escort" reform and opening up and economic development, officers and men in the army will rally more closely around the party Central Committee with Comrade Jiang Zemin as the core, and, together with the people throughout the country, work hard to drive the giant wheel of safeguarding the Republic's reform and construction, brave the wind and the waves, victoriously forge ahead along the course of building socialism with Chinese characteristics, and make fresh contributions once again.

#### Central Circular Urges Army-Civilian Unity

OW1504063592 Beijing XINHUA Domestic Service  
in Chinese 1017 GMT 14 Apr 92

[Text] Beijing, 14 Apr (XINHUA)—The CPC Central Committee, State Council, and Central Military Commission recently issued a circular after approving and disseminating the "Opinions on the Current Condition of Double Support [supporting the army and giving preferential treatment to the families of servicemen while supporting the government and cherishing the people] Work and on Further Strengthening Army-Government and Army-Civilian Unity Throughout the Country," which had been submitted by the National Leading Group for Double Support Work, the Ministry of Civil Affairs, and the General Political Department of the Chinese People's Liberation Army. The circular called on all localities to conscientiously implement the "Opinions" in light of actual conditions.

The circular said: Supporting the Army and giving preferential treatment to the families of the servicemen and supporting the government and cherishing the people is a fine tradition of our party, government, Army, and people of all nationalities and is an important guarantee for victory in the Chinese revolution and national construction. Under the new situation, going further to do a good job in double support work to strengthen Army-government and Army-civilian unity is of great importance in safeguarding the long-term stability of the country, guaranteeing the smooth progress of reform and opening to the outside world, realizing the grand objective of socialist modernization, and building a modern regular Army. Party, government, and military leaders at all levels must make double support work their long-term strategic mission and, in accordance with the party's basic line of "one center and two basic points," and with the requirements of "breathing the same air, sharing weal and woe, and linking heart to heart," they must continue to do double support work in a down-to-earth manner so as to continuously consolidate and develop the excellent situation of Army-government and Army-civilian unity.

The "Opinions" pointed out: Under the new situation, the fine tradition of supporting the Army and giving preferential treatment to the families of the servicemen and supporting the government and cherishing the people has been inherited and carried forward with good results. Especially after the national conference on double support work convened by the Ministry of Civil Affairs and the General Political Department in January last year, new progress has been made in this work and a very gratifying situation has emerged. The tremendous strength formed by Army-government and Army-civilian unity has been fully demonstrated in the struggle to withstand the rigorous test of the ever-changing international situation and to triumph over the very serious flooding disasters in some parts of the country. The excellent situation that has emerged in double support work throughout the country shows that Army-government and Army-civilian unity has moved from its former foundation to a new stage. The main manifestations are as follows: The requirements "breathing the same air, sharing weal and woe, and linking heart to heart" have become deeply rooted in the hearts of the people and public opinion is strongly in favor of doing a good job in double support work. This is because leaders at all levels have assumed personal command of this work, and because Army-government unity has guided and promoted Army-civilian unity. Local economic construction and the modernization of the armed forces have been promoted because double support activities have been launched in close conjunction with the central task. This has been done via the launching of extensive activities to create model towns (counties) in double support work, as well as through the implementation of the principle of "unity-consultation-unity." Also, breakthrough progress has been made in solving the historical problems between the Army and local authorities.

The "Opinions" of the three units on further strengthening Army-government and Army-civilian unity pointed out: As our country's socialist modernization construction enters a new historical period, the situation and tasks are setting greater demands on double support work. In carrying out double support work currently, as well as in the days to come, it is necessary to make the implementation of the party's basic line our common political foundation; make "breathing the same air, sharing weal and woe, and linking heart to heart" our fundamental requirements; and make the promotion of reform and opening to the outside world, developing the productive forces in society, and heightening the Army's combat strength our major objective. To continuously consolidate and develop the excellent situation of Army-government and Army-civilian unity, it is necessary to pay attention to our results in launching this work.

1. It is necessary to make double support work a strategic mission to safeguard national stability and development. Party, government, and military leaders at all levels must be fully aware of the strategic significance of double support work and continue to carry out double support activities in a sustained and down-to-earth manner. In conjunction with changes in the international and domestic situations and with the education drive launched by the Army and local authorities to solidify belief in socialism, they should conscientiously study the expositions on Army-government unity and Army-civilian unity made by Mao Zedong, Deng Xiaoping, and other proletarian revolutionaries of the older generation; extensively publicize the instructions of the party Central Committee, State Council, and Central Military Commission on doing double support work well; and further enhance soldiers' and civilians' understanding of the great significance of strengthening Army-government and Army-civilian unity. Leaders and relevant departments at all levels should pay attention to reality and promptly discover the new situations and solve the new problems in this work to continue to deepen double support work.

2. The basic mission of double support work should be to promote reform and construction. Party committees of Army units and localities at all levels should use the party's basic line to unify their thinking and actions, and the Army and government and the Army and civilians should support and cooperate with one another in reform and construction. Local party committees and governments should have a full understanding of the Army's status and role in peacetime; firmly foster the idea that "without a people's army, the people will have nothing"; be concerned about and love the soldiers who are sons and brothers of the people, and make their support for Army reform and Army building their firm duty. Local party committees and governments should enthusiastically do more solid work in helping military units solve problems in terms of combat preparedness, guard work, education, and training; supply the Army with good-quality soldiers; provide placement for demobilized soldiers and retired military cadres; help the

dependents of transferred soldiers with house-moving, find jobs for military dependents, and arrange for their education; and create a good environment for Army reform and building. The Army should launch regular education on "cherishing the people, learning from the people, and serving the people"; unswervingly carry out the purpose of serving the people wholeheartedly; be modest and prudent; have self-respect and self-love; proceed from the overall interest; and show understanding and sympathy for the difficulties experienced by the state and people. Currently, the Army should educate cadres and soldiers and urge them to enthusiastically participate in and support local reform and construction. It should encourage them to become faithful supporters and defenders of reform and opening to the outside world and to ensure the smooth progress of national construction. The Army should subordinate itself to the overall interest of national economic construction. Under the prerequisite of fulfilling its tasks of military training for combat readiness, it should actively participate in and support national economic construction, farmland water conservation capital construction, and public facilities construction. It also should boldly participate in combating disasters and providing relief to victims, as well as strive to make new contributions to socialist modernization construction.

3. It is necessary to conduct double support work in a down-to-earth manner on a regular basis. It is necessary to launch some activities during New Year's, the Spring Festival, and other major festivals, and yet greater effort should be made to carry out this work on a regular basis. It is necessary to further establish and perfect various laws and regulations. In doing double support work on a regular basis well, we must proceed from reality, pay attention to results, and guard against formalism. With respect to contacts between military units and localities, good customs should be established, and courtesy welcoming and sending-off activities should be reduced.

4. It is necessary to have the tasks and requirements for the double support work truly implemented in grass-roots units. To ensure that double support work in grass-roots units meets the requirements that "organizations be sound, policies be implemented, activities be regular, and relations be harmonious," it is necessary to solve practical problems first and then to ensure that the work is carried out in factories, neighborhoods, schools, shops, townships, villages, and Army companies, and ensure that it is carried out in peacetime. It is necessary to conduct education on national defense to strengthen the national defense concept of the people, Army cadres, and soldiers and to create a custom in which every one is concerned about national security and is devoted to the cause of national defense. It is necessary to adhere to the system of giving special care to disabled servicemen and family members of revolutionary martyrs and servicemen—a system that combines the state, the society, and the people; give play to the role of mass organizations formed for this purpose; conscientiously implement the policies regarding placement and this system; help those

who are qualified for special treatment solve practical difficulties in their production and daily life; and ensure that their standard of living is not lower than the people of their locality. With respect to the contradictions and disputes between military units and localities, both sides should take the overall interest into account and take the initiative to consult each other so as to achieve proper solution in the spirit of mutual assistance and aid, mutual understanding and concession, and strict observance of laws. In grass-roots units, it is necessary to launch extensive activities for the Army and civilians to learn from Lei Feng, to educate soldiers and sons, and to support each other in intellectual power, in order to enhance the understanding between military units and localities and promote Army-civilian unity.

### PLA Schools To Recruit 5,800 Students

OW1704143392 Beijing XINHUA Domestic Service  
in Chinese 0500 GMT 17 Apr 92

[Text] Beijing, 17 Apr (XINHUA)—According to a JIEFANGJUN BAO report, 51 schools of the People's Liberation Army [PLA] will recruit some 5,800 students from among this year's senior middle school graduates.

The State Education Commission and the General Political Department recently issued a joint circular on recruiting military school students from among senior middle school graduates in 1992. According to the circular, the military schools this year will recruit students from among those who take part in the 1992 national unified entrance examination for institutions of higher learning. This year's student recruitment will continue to follow "certain provisions for recruiting military school students from among senior middle school graduates" issued by the State Education Commission and the General Political Department in 1990. The State Education Commission and the General Political Department calls on all provincial, autonomous regional and municipal college student recruitment committees, all provincial military districts and garrison districts, and all military schools to cooperate with each other closely, support each other, warmly encourage this year's senior middle school graduates to apply for military schools, and work together to ensure the good quality of new military school students.

### PLA Develops Sea Battle Simulation System

OW2104033192 Beijing XINHUA Domestic Service  
in Chinese 0832 GMT 18 Apr 92

[By reporter Huang Caihong (7806 1752 5725) and correspondent Zu Liusi (4371 0362 0934)]

[Text] Nanjing, 18 Apr (XINHUA)—A battle simulation training system for the Navy, one of the key high-tech projects in the area of battle simulation training of our Army, passed technical approval today in Nanjing. China has thus become one of several countries in the world that use battle simulators for military training.

Applying such advanced technologies as computer technology, simulation technology, graphic arts, and artificial intelligence, the Navy Command Academy has developed this battle simulation training system as a means of modern training for middle- and high-level Navy commanders. The lifelike simulation of changeable modern warfare not only makes military commanders feel that they are entering a genuine "battlefield," but also provides them with a simulated environment to develop their command and decision-making capabilities in the areas of military campaigns and military tactics; it also serves as a capable "electronic adviser" for them. This system is now being used by naval organs, naval academies, and naval units either for training or for scientific study. The system's first-stage project won a first-grade award at the All-Army Simulators Exhibition. The "Improvement on the Topographical Exercise of Naval Campaigns" and the "Computerized Simulation Training for Naval Command, Naval Campaigns and Naval Tactics," two of the supporting teaching materials of the system, have also won a state special award for excellent teaching material and the Navy's first-grade teaching material prize, respectively. A military appraisal committee formed by noted experts and professors agreed that this simulation system has reached the international advanced level.

#### Former Nanjing Military Commander Dies

OW1804210092 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 18 Apr 92

[From the "National News Hookup" program]

[Text] Comrade Nie Fengzhi, member of the Central Advisory Commission and former commander of the Nanjing Military Region, died of illness in Nanjing on 3 April 1992 after failing to respond to medical treatment. He was 80.

Nie Fengzhi was member of the 11th CPC Central Committee and member of the 12th and 13th Central Advisory Commissions. He received the rank of lieutenant general in 1955.

In more than 60 years of revolutionary life, Nie Fengzhi firmly believed in communism. He was loyal to the party and the people and devoted all his life to the cause of liberation of the Chinese people and to the building of the people's army.

#### Economic & Agricultural

##### State-Owned Assets Valued at \$436.8 Billion

OW1904035692 Beijing XINHUA in English  
0324 GMT 19 Apr 92

[Text] Beijing, April 19 (XINHUA)—The value of China's state-owned assets totalled 2,271.3 billion yuan (about 436.788 billion U.S. dollars) by the end of 1990, "ECONOMIC INFORMATION DAILY" reported today.

The figure was 537 billion yuan more than that of 1989, the paper quoted newly-established China State-Owned Assets Management Association as reporting.

Of all the state-owned assets, institutions affiliated with the central government account for 49.2 percent, or 1,118.6 billion yuan (about 215.12 billion U.S. dollars).

##### 1st Quarter Retail Sales Show 'Hefty' Increase

HK1904053792 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19 Apr 92 p 1

[By Wang Xianwei: "Sales Climbs Broadly in 1st Quarter"]

[Text] China's 1.1 billion consumers are letting go of their purse strings and showing greater spending power.

Official statistics show that retail sales in the first quarter of this year climbed to 265.9 billion yuan (\$49 billion), a hefty increase of 16.3 percent over the same period last year. Retail sales also grew in the first quarter at a faster rate than they grew last year.

Economists from the State Statistics Bureau predicted retail sales growth would keep accelerating this year.

Retail sales jumped 13.6 percent in January over the previous year, 16.7 percent in February, and 18.5 percent in March.

Retail sales growth was wide-spread as 18 provinces and regions posted increases of more than 15 percent.

Both government-run and private retailers reported double-digit growth rates, 21.7 percent and 21.1 percent respectively.

Retailers experienced sales increases across a broad range of goods—from high-priced to inexpensive.

Among the products in demand are fashionable clothing and accessories, various foodstuffs, video recorders, cameras and colour TV sets.

The gap between rural and urban retail sales growth closed in the quarter. Urban retail sales grew 9.5 percentage points faster than rural a year ago; the gap was 3.8 percentage points in the recent quarter.

Retail sales in urban areas totalled 132.2 billion yuan (\$24.44 billion), an increase of 18 percent, while retail sales in rural areas was 107.4 billion yuan (\$19.8 billion), 14.3 percent more than a year earlier.

After the central government announced the decision to hike grain prices, the market stabilized.

Grain sales soared to 207.8 billion yuan (\$38.481 billion) in March, an increase of 74.7 percent over a year ago.

Meanwhile, sales of agricultural materials and machinery, which are included in retail sales, soared as the country launched a massive campaign to step up spring cultivation.

In the first quarter, sales of these goods amounted to 26.4 billion yuan (\$4.89 billion), an increase of 15.8 percent over the same period last year.

Sales of chemical fertilizers jumped 5.1 percent, while sales of pesticides gained 9.3 percent.

The sales of agricultural machinery registered the highest growth rate in the sector—33 percent in the first two months of this year.

But some problems remained.

One is that the products produced didn't meet the fast-changing needs of consumers. This was demonstrated by the fact that production expansion rose at the same rate as an increase in stockpiles.

The Ministry of Commerce studied the supply and demand of 682 major commodities in the first half of this year.

The study showed some products greatly exceeding demand while others fell far short.

Surpluses continued to build among low-quality home appliances while higher quality, and higher priced, home appliances sold well.

By the end of February, stockpiles were 7.6 percent higher than the beginning of this year.

Another problem was that although the sales soared, profits for the commercial departments fell.

### Gezhouba Builder Set for 3 Gorges Construction

OW1804123292 Beijing XINHUA in English  
1209 GMT 18 Apr 92

[Text] Beijing, April 18 (XINHUA)—The Gezhouba Engineering Bureau, the designer and builder of the first dam on the Yangtze River, is now preparing for the construction of the Three Gorges Dam.

The bureau, which has 50,000 workers, including 7,200 engineers and technicians, was established for the construction of the Gezhouba Water Conservancy Project, the biggest of its like so far in China. The Gezhouba Project, finished in 1988, consists of a power station with a total capacity of 2.72 million kilowatts, two sluice gates, two shipping channels and three ship-locks.

In recent years, the bureau has organized over 3,000 engineers and technicians to undertake 26 key state research projects for the construction of the Three Gorges Dam, which will comprise a 185-meter high dam, a hydropower station with a generating capacity of 17.68 million kilowatts and navigation facilities.

The bureau has completed 13 key research projects such as "Techniques for Construction of the Second-Phase Cofferdam," "The Key Issues Affecting Construction Speed of Pouring Concrete," "Processing of Quartz

Sand," and "Techniques for Building Sluice Gate Frame." The research projects have been appraised by Chinese experts.

Based on experience in building the Gezhouba Project, the engineers and technicians have also researched 101 specific projects for the construction of the Three Gorges Project.

After the National People's Congress approved the decision on construction of the Three Gorges Project, the Gezhouba Engineering Bureau has decided to streamline the management, overhaul the construction teams and upgrade technology to prepare for the construction of the Three Gorges Project.

### Government Releases Employment, Wage Statistics

HK1904040892 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19 Apr 92 p 4

[Compiled by Wang Xiangwei: "Stats"]

[Text] Latest official statistics show that by the end of February, China's employment totalled 143.95 million people, 17,000 fewer than that at the end of 1991.

Employment in State-run industries was 106.08 million, an increase of 37,000, while employment in collectively owned enterprises stood at 35.68 million, off 228,000 from the end of the year.

Foreign-funded enterprises and private firms hired 174,000 more people to raise their total employment to 2.19 million.

Meanwhile, wages paid in the first two months amounted to 55.25 billion yuan (\$10 billion), an increase of 14.8 percent over the same period last year.

Of the total, State-run industries increased their payroll by 14.8 percent to 43.27 billion yuan (\$7.85 billion) while collectively owned enterprises raised payroll by 13.4 percent to 10.71 billion yuan (\$1.94 billion).

Foreign-funded enterprises and private firms registered the highest growth rate in payroll to 1.27 billion yuan (\$230.4 million), an increase of 56 percent.

In another development, February's price index on retail sales—one of the most important indicators of inflation, jumped 4.9 percent. The cost-of-living index—another important inflation gauge—rose 5.3 percent.

### Northwest To Hold Symposium To Develop Ties

HK2004020092 Beijing CHINA DAILY in English  
20 Apr 92 p 1

[By staff reporter Li Zhuoyan: "Northwest Aims To Boost Growth"]

[Text] Guangzhou—China's resource-rich but under-developed Northwest plans to boost its prospects by

opening wider to the outside world, a Xi'an senior official said over the weekend.

Xi'an Mayor Cui Lintao vowed that the region would develop closer trade, economic and technological ties with foreign countries.

Cui spoke as his delegation prepared for the upcoming Northwest China's International Economic and Technological Co-operation Symposium to be held in Guangzhou. [as published]

The Northwest provinces and regions—including Gansu Province, Ningxia Hui Autonomous Region, Shaanxi Province, Xi'an City, Xinjiang Uygur Autonomous Region, Xinjiang Reclamation Farms—will jointly sponsor a symposium in Xi'an from September 14-20 as a way to publicize their commitment to attract foreign investment.

Businesses from home and abroad will be invited to the symposium to talk with those from the local area on economic and technological cooperation, import of advanced technology and equipment, labour service cooperation, imports and exports of commodities, and tourism.

"The symposium, the first ever held jointly by the whole region, will provide good opportunities for cooperation with our friends from all over the world," Cui said.

Covering a total area of 3.1 million square kilometres, the northwest region is rich in natural resources. About three-fourths of the known minerals in China are found in that region.

The region has particularly rich deposits of petroleum, coal and natural gas.

In 1991, total imports and exports of the region reached \$1.65 billion.

There are 411 foreign-funded enterprises registered in the region and promised foreign investment has exceeded \$3.14 billion, of which \$1.18 billion has been put into actual use.

In recent years, the investment environment has improved quickly. Many airports, railways, telecommunication facilities and other pieces of infrastructure have been built.

#### **Paper Urges Abolishing Dual Exchange Rates**

HK1704141392 Hong Kong WEN WEI PO in Chinese  
15 Apr 92 p 5

["Special article" by Chou Yi (0719 0001): "China To Cancel Dual Exchange Rate"]

[Text] Since last year, with the improvement in China's foreign exchange revenue and expenditure situation and the increase of its foreign exchange reserves by a big margin, the official exchange rate has gradually come closer to the market rate. Many people in the financial

circles have lots of complaints about the Renminbi's dual exchange rate and urged its abolishment. This has aroused the attention of official quarters. Experts believe that in the near future, with the deepening of the domestic financial reform, the Renminbi's dual exchange rate will be canceled. A Chinese People's Bank official said that, although at present there is still not a definite time for doing so, the day is not far off for the dual exchange rate's abolishment because it is imperative under the current situation.

#### **Foreign Businessmen's Interests Are Harmed**

Experts believe that in China, which is a developing country, the dual exchange rate has played a positive role in maintaining a balance between international income and expenditure and promoting economic development in a particular period. But under the current situation, it has brought about more disadvantages than advantages.

First, this policy has harmed the interests of foreign businessmen investing in China. Chinese laws stipulate that the two sides of a joint venture share profits and risks according to the proportions of their registered capital. Under the dual exchange rate, there is actually inequality between both sides of a joint venture in sharing profits and risks according to their proportions of registered capital. For example, if the registered capital of a Sino-foreign joint venture is \$2 million, and each side shares 50 percent, or \$1 million, according to Chinese laws, the foreign exchange of the foreign investor should be converted into Renminbi yuan according to the exchange rate promulgated by the State Administration of Exchange Control on the day of registration. But according to State Administration of Exchange Control regulations, foreign exchange invested by the foreign firm can be redistributed in the market after it becomes a part of the joint venture. Then, according to the current market rate, \$1 million can be converted into 6 million yuan or so in Renminbi. This means that the foreign side has invested 530,000 yuan more than the Chinese side. According to this calculation, the foreign investor's investment is higher than the Chinese side, but both sides still share their profits and risks on a 50-50 basis. Thus, the foreign investor's interests are obviously harmed.

#### **State Income Is Reduced**

Second, it has affected the state's financial revenue. According to Chinese laws, tax is levied on the foreign exchange earned by a Sino-foreign joint venture, which is converted into Renminbi yuan according to the exchange rate promulgated by the State Administration of Exchange Control. Joint ventures which export their products usually use the dual exchange rate to benefit themselves. When they import raw materials, they calculate their costs according to the market rate, but when selling their products and calculating their income, they use the official rate to show a lower profit and evade tax. Other enterprises may use the loopholes in the dual exchange rate and use the official rate to calculate

depreciation and use the market rate to calculate their retained profits and bonuses, thus infringing upon the state's interests.

Third, it has increased pressure on price increase. The enterprises have to import raw materials for production. They usually get foreign exchange according to the market rate. Thus, the market price of their products, which are made with imported raw materials, will increase. It will result in the increase of the prices of similar domestic products and have a great impact on domestic commodity prices.

#### A Series of Measures Should Be Adopted

Some Chinese officials and experts believe that the Renminbi's current official exchange rate is calculated and readjusted according to the changes of the average exchange rates of certain international currencies. As this policy is too rigid and inflexible, it cannot play the role of regulating the balance of international payments.

Therefore, it is necessary to change the Renminbi's exchange rate into a unitary and floating exchange rate as soon as possible, so that it can more efficiently reflect the supply-demand relations of foreign exchange and give play to its regulatory role as a lever of the national economy and so that it can promote and expand exports faster and maintain the balance of international payments. To this end, it is necessary to adopt the following measures:

- To strengthen foreign exchange control in the field of exports so that there is a foreign exchange return for each export.
- To abolish the retained foreign exchange system and dismiss the foreign exchange accommodation centers.
- To abolish the foreign exchange coupons and stop using foreign exchange to settle accounts within the national boundaries. Foreign visitors; overseas Chinese; and Hong Kong, Macao, and Taiwan compatriots coming to China should pay using the Renminbi yuan they have exchanged with the handling banks according to the official rate. And,
- To open the foreign exchange market and appropriately relax foreign exchange controls.

These measures will help expand China's export trade, increase its foreign exchange reserve, and enhance its economic strength. It will also lay a solid foundation for the Renminbi to become a convertible international currency.

#### Foreign Investment in New Sectors Contemplated

HK1904050892 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19 Apr 92 p 1

[By Yuan Zhou: "Investment Reform on Its Way?"]

[Text] China may allow foreigners to open joint venture department stores for the first time as part of a package of changes designed to attract foreign investment, a top China trade official said over the weekend.

In addition, China may allow foreign investment in financial, transportation and consulting companies for the first time, Yu Xiaosong, assistant foreign trade minister, told Business Weekly in an exclusive interview.

Knowledgeable sources say business and government leaders from around the country may meet soon in Beijing to discuss the proposals.

The sharp policy shift may, in Yu's words, bring about a "fundamental change" in the country's foreign business relations.

Yu said China is considering allowing one or two joint venture department stores this year, "on a trial basis," in such large cities as Beijing, Tianjin, Shanghai, Guangzhou and Shenzhen.

Yu said China also may take measures to encourage foreign investors to pump money into high-tech, infrastructural industries, and technological renovation of Chinese firms. Up to now, joint venture firms have not been permitted to invest in department stores, financial houses, transportation businesses or consulting firms.

Yu revealed that China is ready to approve the establishment of several Sino-foreign consulting firms, which will help boost the standard of the country's consulting industry.

Reliable sources said a national meeting on foreign investment will be held in Beijing soon to map out "detailed bold moves" that the country can take to drum up more overseas money for China.

China's stock market system will be scrutinized at this conference for ways to improve and attract more foreign capital, sources said.

Before this conference on foreign investment, foreign trade officials from some provinces and cities will gather in Beijing to suggest bolder moves to attract more foreign investment.

Foreign investment in China has grown rapidly in China this year.

According to the figures from the Ministry of Foreign Economic Relations and Trade (Mofert), China approved a total of 4,185 foreign-funded firms, with \$6.54 billion worth of investment, in the first quarter this year.

These numbers show increases of 86.3 percent and 140 percent respectively against the previous three-month period.

At the same time, China ratified the opening of 4,172 new foreign-funded enterprises, an 87 percent rise over the previous January-March period.

Of the total, 2,620 are equity joint ventures, 632 are contractual joint ventures and 920 are businesses funded solely by foreign interests.

Despite the increases, Yu said, foreign investment needs to be increased and directed to new types of industries.

Yu said foreign funds account for less than 5 percent of total investment in China's economic development.

He said the bulk of foreign investment is concentrated in processing industries in coastal provinces like Guangdong and Fujian.

As China takes bolder moves to open to the outside world and progress is made on the resumption of China's membership on GATT, Yu said he believed more foreign investment would come into Chinese high-tech industries.

Yu said: "We are encouraging foreign investors to put their money into the renovation of Chinese industrial firms. The investment will also benefit foreign investors because they can expect quicker "economic returns."

Yu said China will consider opening international flights and ocean-going lines for such major economic centres as Wuhan as a way to encourage investment in inland provinces.

**Foreign Trade Minister Discusses 1991, 1992 Trade**  
*HK1904014892 Hong Kong CHING-CHI TAO-PAO*  
*in Chinese No 14, 13 Apr 92 pp 24-25*

[Li Lanqing, minister of foreign economic relations and trade: "China's Foreign Economic Relations and Trade Work This Year"]

[Text] China's structural reform in foreign trade made a major step forward last year. Based on the past three years of reform in delegating power to lower levels through contract signing and in practicing the system of assuming sole responsibility for profits and losses in some foreign trade industries, beginning this year, the state has abolished subsidies for exports and practiced the system of assuming sole responsibility for their own profits and losses in foreign trade enterprises, thus changing the situation of "eating from the same big pot" in foreign trade which has existed for years and combining in a better way their responsibilities with rights and benefits. This has provided a condition of long-term, stable, and healthy development for export trade, putting pressure on foreign trade enterprises on one hand, and boosting their impetus and vigor for further development on the other, which is conducive to improving operation and management, enhancing competitive power, and ameliorating the operative order.

**Reform Results**

The practice in the past year showed that reform's direction was correct and reform was successful, which were mainly manifested in the following aspects:

**First, exports maintained a relatively high growth rate, and imports picked up rapidly.** Last year, the total value of imports and exports reached \$135.7 billion, presenting a 17.5-percent increase over the previous year. Of the total, the export value was \$71.91 billion, and the import value was \$63.79 billion, an increase of 15.8 and 19.5 percent respectively.

**Second, the import and export product mix continued to be optimized.** Last year, the proportion of industrial manufactured goods in the total export value was 77.46 percent, up 3 percent over the previous year; the export growth rate of machinery and electrical appliances was higher than that of the nationwide average by 11.6 percent, and their share in the total export value rose from 17.7 percent in 1990 to 19.6 percent; and the proportion of means of production of import goods somewhat increased while that of means of subsistence dropped somewhat as compared with 1990.

**Third, import and export trade with major countries and regions developed steadily.** While expanding our exports, we took care and adopted measures to properly increase imports. As a result, both import and export trade with major international markets registered growth. In 1991, for example, exports and imports to Japan increased 13.7 and 32.1 percent respectively; to the United States, 19.5 and 21.5 percent; to ASEAN countries, 10.6 and 29.3 percent; to the Hong Kong and Macao region, 24.5 and 29 percent; and to EEC countries, 10.1 percent. Imports and exports to other countries and regions also recorded growth to varying extents.

**Fourth, higher economic results were yielded in foreign trade enterprises.** Under the situation that import and export trade had a greater growth, the turnover time of circulating funds was 5.28 percent shorter than in 1990, and the level of export costs dropped 11.49 percent as compared with 1990. As the export subsidies for foreign trade enterprises were abolished, the financial burdens on the state were lightened.

Moreover, there was also a greater development in China's foreign economic and technological cooperation. The utilization of foreign capital increased comparatively rapidly, the soft and hard environment for investment was further improved, and foreign businessmen's confidence in investing in China was strengthened. In 1991, the negotiated foreign capital for direct foreign investment already approved was \$11.1 billion, a 67.6-percent increase over 1990, and the actual input amount was \$4 billion, a 13.8-percent increase. The business condition of foreign-invested enterprises having gone into operation was improved somewhat, with exports reaching \$12.05 billion, up 54.2 percent over 1990; the negotiated amount of foreign loans newly signed was \$6.7 billion, up 18.8 percent, and the actual amount used was \$7.3 billion, up 9.6 percent; there were 462 technological export contracts examined and approved, with a contract amount of \$1.277 billion, increasing 72.3 and 29.1 percent over 1990 respectively; there were 359 import technology contracts examined and approved,

with a contract amount of \$3.46 billion, increasing 54 and 172 percent over 1990 respectively; the contract amount of labor service newly signed was \$3.2 billion, and the turnover was \$2 billion, increasing 23 and 7 percent over 1990 respectively; 207 overseas nontrading enterprises were newly approved, with a total investment of \$759 million, of which \$367 million were put in by the Chinese side, or 48.35 percent, and increasing \$290 million over 1990. In addition, new progress was also made in foreign economic and technical aid, as well as in multilateral cooperation with UN development organizations.

#### **This Year's Tasks**

To realize our country's economic and social development objective up to the end of this century, this year, we will further expand our foreign economic exchange and cooperation and strive to make even greater headway in foreign trade, utilization of foreign capital, import of technology and qualified personnel, and other foreign economic cooperation.

—It is necessary to quicken the pace of reform and the improvement of the foreign trade structure. While deepening the reform of the internal mechanism in foreign trade enterprises, improving the foreign trade macro-control mechanism, and instituting and perfecting the foreign trade coordination service system, properly carrying out the import control structural reform must be stressed. The general objective is: In line with international trade standards, import and export controls should be put into effect mainly by setting up tariffs and other economic means supplemented by a few necessary protective measures, and administrative intervention should be reduced to a minimum. The concrete measures include: 1) Following the substantive progress in the negotiation to restore the seat in GATT, the overall level of tariff should be incrementally lowered to the level appropriate to the developing countries as required by GATT, and the range of tariff for various import commodities should be defined in light of the industrial policy and economic development level. Since last year, our country has reduced, on its own accord, the tariff of 265 commodities, and expressed its willingness to negotiate tariff reduction and concessions in the course of restoring its status in GATT. The import regulating tax will be abolished this year. The Renminbi exchange rate should be further rationalized, and the unitary floating exchange rate system should be practiced step by step to create the condition for import regulation by depending mainly on tariffs and other economic means. 2) Statutes, such as "the Foreign Trade Law" and "the Antidumping Law" should be formulated as quickly as possible so that imports will be controlled by laws and the young domestic industries will be given the necessary protection in accordance with international practices now in force. 3) The scope of commodities controlled by import permits should be narrowed. There are 53 commodities subject to import permits control at present, and it is intended to abolish import

permits for 16 commodities in the near-term and reduce the scope of commodities subject to import permits control by two-thirds in two to three years. 4) Other technical measures to control import should be standardized in line with GATT rules and regulations. And, 5) The transparency of import control should be strengthened. Serious attention should be paid to screening the existing internal documents pertinent to import control, and those which need a continual enforcement should be made public as soon as possible. In the future, the Ministry of Foreign Economic Relations and Trade should announce all rules and regulations pertaining to import and export control in a unified way.

—It is necessary to conscientiously implement the principle of overall planning and overall considerations for domestic and foreign markets, and strive to expand exports and increase income in foreign exchange. We must strive for a steady development of export trade with a speed slightly higher than the national economic growth rate. We must continue to put into practice the strategy of "winning by quality," remaining in and expanding the international markets with fine quality goods and taking resolute measures to stop fake and poor quality goods entering world markets. We must further improve the product mix for export trade; gradually realize the shift from depending mainly on manufactured goods by rough machining to depending mainly on those by intensive processing; and make efforts to increase the export of machinery, electrical appliances, textiles, and light industrial and high technological products. We must energetically step up the building of the export commodity production system; give full play to the advantages of coastal, border, and other areas where condition exist; and establish various types of export commodity production bases combining trade with industry, agriculture, and technology. We must give positive support to large and medium production enterprises with adequate conditions in carrying on import and export businesses by themselves and form and set up a number of enterprise groups with large industrial enterprises having a higher technology-intensive level and a proper integration of industry and trade as their core, as well as enterprise groups with foreign trade corporations having stronger international operating capacities and a proper integration of trade and industry as their core, and gear them directly to the needs of the international markets. Furthermore, we must enlarge the foreign agency system and the service-after-sale network, continue to increase our export trade competitive power, and exert ourselves to open up diversified international markets.

#### **Overview of Foreign Funds Utilization Since 1970s**

OW2004080192 Beijing XINHUA in English  
0748 GMT 20 Apr 92

[Text] Beijing, April 20 (XINHUA)—China has utilized over 80 billion U.S. dollars of foreign funds since the

country implemented the policies of reform and opening to the outside world in the late 1970s.

The foreign funds were used to import advanced technology and equipment from abroad, according to the Ministry of Foreign Economic Relations and Trade (MOFERT).

Figures released by the ministry show that from 1979 to the end of 1991, the country approved foreign investment contracts valued at 121.47 billion U.S. dollars, of which 79.627 billion U.S. dollars of overseas funds was actually invested in the country.

In the first quarter of this year, China approved another batch of foreign investment contracts involving foreign investments of 6.54 billion U.S. dollars, of which 2.532 billion U.S. dollars was actually invested during the period.

Of the overseas funds actually invested, 66 percent was loans and the rest was investments by overseas businessmen.

By the end of 1991, China had borrowed a total of 52.742 billion U.S. dollars of loans, of which 12.704 billion U.S. dollars was loans from foreign governments, 8.49 billion U.S. dollars from international financial organizations, 5.001 billion U.S. dollars from export credits, 22.127 billion U.S. dollars from commercial credits of overseas banks, and 4.42 billion U.S. dollars from sales of bonds and stocks.

At the end of June, 1991, China's foreign debt stood at 52.58 billion U.S. dollars, of which 47.24 billion U.S. dollars was mid- and long-term debts, and 5.34 billion U.S. dollars was short-term debts.

At the end of 1991, the country's foreign exchange reserve amounted to 42.665 billion U.S.

### **Bank Starts Nation's First Factoring Business**

*HK1904063492 Beijing CHINA DAILY in English  
19 Apr 92 pp 1, 3*

[By Yong Wang: "China Bank Starts Factoring Business"]

[Text] Factoring is catching on in China as it has around the rest of [the] world as a way to reduce exporters' risks in recouping money owned them by importers.

The Beijing branch of the Bank of China (BOC) signed an agreement with the NationsBanc of the U.S. and Griffins Factors of Britain last month to start China's first international factoring business.

With factoring, an exporter secures payment from overseas buyers even if the buyers eventually suffer financial failures.

Chinese exporters have been plagued in the past few years with mounting deferred payment from the importers, especially in the settlement of collections.

Buyers have become more bold about deferring payments because a buyer's market has given them a leg up over exporters.

Importers are demanding transactions be made on open account or other favourable terms where payment is not made until weeks or months after the actual delivery of the merchandise.

That trend is costing exporters money.

Han Zhiyi, vice-president of the Beijing Branch of BOC, said payment on about one-third of the city's exports are seriously delayed or not ever paid.

"Payments on open account and other preferential terms are commercial credits not bound by banks," he said.

The international factoring business has grown over the past two decades, especially in Europe. The practice has been popular among American retailers for many years.

In fact, total factoring worldwide has exceeded \$250 billion—more than triple the amount five years ago.

In 1968, the Factors Chain International (FCI) was founded as the umbrella organization for independent factoring companies around the world.

With 95 members, FCI covers close to 50 percent of the international factoring business.

Ron Kissling, the FCI president, said he expects China to become an FCI member soon.

With factoring, an exporter needs to give banks about 1 percent of the value of the export to ensure on-time payment.

The factor normally buys the accounts receivable from the exporter and then the importer is told to remit the payment directly to the factor.

If the importer defaults or encounters financial trouble, the factor will pay the exporter immediately.

Also, the factor investigates the credit of importers and protects exporters against write-offs on accounts receivable.

Han, from the BOC, noted that international factoring has entered China at a time when more foreign trade companies are emerging with hopes to find overseas trade partners.

### **Special Economic Zones' Role, Reforms Viewed**

*HK2004102692 Beijing GUANGMING RIBAO  
in Chinese 21 Mar 92 p 3*

[Article by Su Yanhan (5685 1750 3352), Research Fellow of Fujian Academy of Social Sciences: "Role of Special Economic Zones in Socialist Construction"]

[Text] A decade of development and endeavor of pioneering a cause brought about a decade of tremendous changes—this is the briefest appraisal made by people

today on the course of building China's special economic zones [SEZs] in the past 10 years. In about 10 years, from the summer of 1980 to 1990, the economy in the Shenzhen, Zhuhai, Shantou, and Xiamen SEZs developed at a high speed, the total industrial and agricultural output value was 17.7 fold that of 1980, and the total industrial output value and the total value of commodity retail sales increased by 24.57 and 23.24 fold respectively as compared with those in 1980. No one who has been to the SEZs did not exclaim in admiration on their development. Meanwhile, people are also considering how they should understand China's SEZs, and the role that they are playing in the great cause of building socialism with Chinese characteristics. This article will try to answer these questions.

#### **Zones That Went Ahead of Others in Utilizing Foreign Capital**

By and large, for a long period of time, China only maintained a weak link with the world economy through mutual exchange of needed goods. This form of linkage does not suit the general trend of the internationalization of production and capital, and even less does it meet the requirements of achieving the goal of using foreign funds, resources, and technology to make up for our inadequacy in building socialism with Chinese characteristics. But the SEZs are able to make contributions to achieving such an objective.

Our SEZs have some conditions richly endowed by nature. They are all located in coastal port cities with very convenient transportation, as well as historical connections with Hong Kong, Macao, Taiwan, and overseas Chinese in many ways. The Shenzhen and Zhuhai SEZs in particular, are situated in an advantageous geographical position close to Hong Kong and Macao, and directly oriented to international trade and financial centers, which are within the range of direct contact with the developed commodity economy across the border. Under the condition of opening to the outside world, the inflow of various essential factors from across the border is very simple and convenient, and the costs of circulation are cheap. The flexible policies and preferential measures practiced in the SEZs also brought about a good guiding mechanism and investment environment. These conditions have determined that our SEZs can become zones that proceed ahead of others in utilizing foreign capital.

As soon as the SEZs proclaimed their establishment, they aroused strong repercussions in Hong Kong and Macao, and in foreign countries. The favorable conditions provided by the SEZs rapidly attracted a group of forerunners who came for investment, thus raising the curtain on large-scale absorption of foreign investment unprecedented in China. They took the lead in setting up the first group of foreign-funded enterprises in the forms of joint ventures, cooperation, and exclusively foreign investment, accepting the first batch of businesses for processing with materials supplied by customers, and thereby initiating the situation of utilizing direct foreign

investment. By 1989, the SEZs had approved 4,902 items of foreign investment, and negotiated and actual utilization of foreign investment amounted to \$8.641 and \$3.705 billion respectively, which did not include the figures for the Hainan Special Economic Region. The above conditions indicated that the SEZs have held a very important position in the overall pattern of foreign investment utilization in China.

The SEZs have summed up the experience and problems of utilizing foreign investment in a relatively comprehensive way. The principal experience and problems they successively summed up are as follows: 1) Promoting the construction of infrastructure incrementally through absorbing foreign investment and combining it with transfer of land with compensation and bank loans. 2) Taking the improvement of the hard investment environment and the optimization of the soft environment as a prerequisite for absorbing foreign investment. 3) Taking the import of advanced technology and association of internal economic ties as well as the optimum combination of essential factors as an effective way of absorbing foreign investment on a full scale. 4) Taking the development of an export-oriented economy as the main direction of absorbing direct foreign investment in the SEZs. 5) Taking the perfection and intensification of management on foreign-invested enterprises as the fundamental guarantee for large-scale import of foreign capital and enhancement of economic results. The above points not only embodied some practical experience in the SEZs, but also summarized a lot of problems and lessons, which have provided a certain value of reference to the mainland in utilizing foreign investment.

People will probably ask: Will the social and economic structure of the SEZs become capitalist because of the absorption of foreign investment on such a large scale? Our answer is no. Over the past 10 years, although the proportion of the socialist economy in the social economic structure has reduced, its overall scope in the SEZ economy has all along held a dominant position. In Shenzhen, the gross domestic product in 1979 was only 200 million yuan but, by 1989, the total assets of 800-odd state enterprises of second class and above had exceeded 17 billion yuan. Though the proportion of state capitalist economy with joint ventures and cooperative enterprises as its principal forms is rising in the economic structure, its internal relationship is a cooperative one formed by the main economic body with partial ownership of means of production in the hands of various economic sectors on a contractual basis under the socialist system. Obviously, this economy has a dual character, but it is not tantamount to the capitalist economy. Regarding the exclusively foreign-owned enterprises which are of a capitalist economic nature, they also fall into the category of the state capitalist economy because they are under control of the socialist country and have quite a few economic links with the socialist economy in terms of leasing of land, supply of infrastructure, taxation, labor, employment, and salaries. In addition, there are also private and individual

businesses in the SEZs which hold a relatively small proportion. In short, this kind of social economic structure that took shape in the SEZs is precisely a distinguishing feature in the overall distribution of the socialist ownership structure with Chinese characteristics.

### The Central Areas of Economic Growth

The world economic history shows that the rejuvenation of a country (or region) first started from its coastal port cities where communications with the outside world were well developed. However, the close policy formed under specific conditions in our country depressed the enormous development potential of the coastal areas for a considerable period of time. Only by practicing the open policy can the enormous potential of a great number of coastal port cities be released, and SEZs, the virgin soil, awakened at last. Now, they are rapidly growing up to be the central areas of new economic advances.

In line with the requirements for building socialism with Chinese characteristics, the SEZs in our country broke through the general pattern of the world's special economic zones characterized by small scales and unitary structure and functions, adopted preferential measures toward foreign countries and regions and opened up markets to dispose essential factors, initially established a large-scale, export-oriented, and comprehensive industrial structure, thereby incrementally developing into new economic growth centers. There are roughly three stages in the process as follows:

The first stage (1980-1983): It was the initial stage of multi-departmental economy, in which the SEZs chiefly made use of their advantages of low-priced land and labor service to attract the input of capital, technology, equipment, and raw and supplementary materials from across the border, and set up initial industrial departments in the SEZs. The implementation of policies of low-priced land and transfer with compensation became the important conditions for absorbing foreign capital in setting up real estate and tourism industries. The affluent and cheap manpower, combined with the production factors applied from across the border, constituted the main foundation for setting up processing and assembly industries in the SEZs. From then on, the multi-departmental economy developed rapidly in the SEZs. By 1983, there were 36 projects of foreign investment exceeding 10 million Hong Kong dollars in Shenzhen's real estate industry, and the input of processing with materials supplied by customers accounted for 23 percent of the total foreign investment. In Zhuhai SEZ, the foreign investment in tertiary industry exceeded 90 percent.

The second stage (1984-1986): This was the adjustment and development stage with priority given to industry, in which there emerged in the SEZs a two-way input of essential factors from across the border and of those on the mainland whose effectiveness had not been fully

displayed. From then on, production factors from within and across the border began to gather, merge, and disperse in the SEZs, and the processing industry also developed at a high speed. By 1985, 163 foreign-invested industrial enterprises had been set up in Shenzhen SEZ with an output value of 1.671 billion yuan, and the total industrial output value of the entire zone had reached 2.67 billion yuan. In Xiamen SEZ, which started a bit later, there were also 107 foreign-invested industrial enterprises which had gone into operation, and the total industrial output value of the entire zone was 2.05 billion yuan. By 1986, the disposition of essential factors in the SEZs entered another adjustment period following the development of events.

The third stage (1987-1990): This was the stage in which the export-oriented economy developed rapidly. A number of enterprises were bogged down in the predicament of uneven revenue and expenditure in foreign exchange due to their dependence on the backward processing and assembly industry with imported raw, semifinished, and supplementary materials. In the later period of the previous stage, the SEZs turned to implement the principle of developing an export-oriented economy defined by the Special Economic Zone Work Meeting, stressing that the disposition of production factors must focus on the types of production, export, and foreign exchange earnings, and accelerated the pace of gathering on a large scale various kinds of production factors and of importing foreign capital and advanced technology as well as promoting internal economic association. From 1988 to 1989, the average total amount of foreign capital actually absorbed in the four SEZs including Shenzhen and Xiamen was as large as \$608 million a year, and a considerable amount was also put into internally economic associated enterprises.

In 1990, the industrial output value gained from industrial export products in Shenzhen and Shantou SEZs exceeded 60 percent of their total industrial output value, and that of Xiamen SEZ was close to 50 percent, which have initially achieved our objective of setting up export-oriented industries to serve the strategic principle of combining our import substitution with export orientation.

In brief, after 10 years of development, a large-scale, export-oriented, multi-functional, and comprehensive industrial structure has more or less been established. The new economic growth centers have suddenly risen in the regional economy, and are proliferating into the hinterland through the carriers of funds, commodities, technology, and information. Their diffusing functions are boosting the development of the mainland commodity economy in many ways. In the vicinity of the SEZs, newly developing town clusters have emerged or are emerging. The Zhu Jiang Delta has risen abruptly, and the South Fujian Golden Triangle is also in the ascendant. The economic rise of the South China Golden Coast also gave impetus to the northern movement of the open pattern and the development of border trades, bringing about an exceptionally favorable situation for an omni-directional opening up in building socialism

with Chinese characteristics. Of course, we must not deny that the SEZs have effected some negative impacts on the interior areas yet, compared with their positive role, such impacts cannot be mentioned in the same breath.

#### The Experimental Zones for Structural Reform

It is an important aspect of the objective of setting up SEZs that they would be taken as experimental zones of structural reform. The SEZ economy is a highly open and developed commodity economy, and the SEZs should become experimental zones for observing, experimenting, selecting, and exploring management structure and operational mechanisms suited to the demand of commodity economic development. This is required by the large-scale absorption of foreign capital and development of SEZ economy, and by the exploration of socialist commodity economic management structure and operational mechanism with Chinese characteristics. Here, I will only explain the SEZ management structural reform from the angles that have a certain reference value and impact on the mainland's structural reform.

I. The SEZs should take the lead in carrying out the reform of expanding market mechanisms. The commodity economy is one taking exchange as its objective. Along with the input of foreign capital and the diversification of the main economic body, the relation of commodity exchange in the SEZs expanded rapidly, which naturally gave rise to multiple prices, and the production and circulation of commodities increasingly went beyond the bounds of management of the original plans. As a result, the SEZs reduced the mandatory planning and set about the reform of expanding market mechanism with price system and management structural reform as its core. This reform went through three stages: First, adjustment was combined with relaxation of control, with emphasis on the former; second, relaxation of control was combined with adjustment, with emphasis on the former; and third, control was basically lifted. This reform provided experience of incrementally relaxing control of prices and expanding market mechanism to suit the rapid development of the commodity economy, and exerted a certain influence on the economy of the hinterland.

II. The SEZs should take the lead in carrying out the enterprise management structural reform and other coordinated reforms. The highly open and developed SEZ commodity economy called for its basis to be producers and operators of commodities with even more sufficient and energetic decision-making power. Under the condition that foreign-invested enterprises are vested with decision-making power according to the law, state-owned enterprises must also be granted similar conditions for entering market competition. Therefore, the SEZs attached great importance to the management structural reform of the state-owned enterprises. They practiced relatively earlier various kinds of contract systems such as contract with quota, full contract, partial contract, lease contract, and so on, and took the lead to

practice contract job system and floating and structural wage system, and tried out in some state-owned enterprises the manager (director) responsibility system under the leadership of the board of directors. However, there are also malpractices of property rights being existing only in name and enterprise actions being of a short-term nature in the SEZ contract system. That is why Shenzhen SEZ has carried out reform of enterprise shareholding system since 1987 with five corporations' stocks listed for trading. At present, it has become the principal experimental zone of the country's shareholding system.

III. The SEZs should carry out the reform of cultivating a market system relatively early. The SEZ markets which have closer contacts with the world markets are centers of the SEZ economic operation. The structure of SEZ markets are complicated, with various kinds of markets interconnected. It is necessary to comprehensively cultivate all sorts of markets so that they can bring into full play the regulating role of market mechanism. In consequence, apart from opening up commodity markets in good time, the SEZs also took the lead to reform staff and workers' planned distribution, and opened up labor service markets; practiced real estate commercialization and set up property markets; and established bonded markets for means of production in recent years. Now, although various kinds of markets in the SEZs have not been perfected and standardized yet, after all, they have carried out relatively comprehensive experiments of cultivating market system, which will have a bearing on the growth of the mainland's socialist market system to a certain extent.

IV. The SEZs should carry out earlier the reform of shifting from direct macrocontrol and regulation to an indirect one. With regard to the special commodity economy of the SEZs with markets as the centers of economic operation, macrocontrol and regulation can only be indirect. In accordance with the model design of such indirect macrocontrol and regulation, the SEZs have relatively earlier changed their direct administrative control over enterprises, and placed emphasis on the separation of administration from enterprises. Moreover, they particularly reinforced the overall functional departments and gave free rein to the functions of indirect macrocontrol and regulation. They also intensified medium- and long-term plans as well as annual guidance plans, and stressed the application of various economic levers. In addition, in order to strengthen the role of macrocontrol, the SEZs also gradually improved the network of macrocontrol and regulation, and instituted a policy-making, information consulting, executing, and monitoring system. All this has shown that the SEZs have made useful experiments in setting up a model of commodity economic operation.

Over the past 10 years, the SEZs, Shenzhen SEZ in particular, have made relatively thoroughgoing reforms, and a management structural and operational mechanism suited to the demand of the SEZ commodity economic development is being formed. They have played the role of reform experimental zones which meet the requirement of building

socialism with Chinese characteristics to a certain extent and in certain important aspects. In the 1990s, we will continue to advance along the road of developing the SEZs of a Chinese character, which will be booming in radiant splendor in the great cause of building socialism with Chinese characteristics.

#### **List of Top 500 Importers, Exporters Published**

*OW1904050392 Beijing XINHUA in English  
0415 GMT 19 Apr 92*

[Text] Beijing, April 19 (XINHUA)—China has published a list of its top 500 importers and exporters, the "ECONOMIC INFORMATION DAILY" reported today. These enterprises exported 43.37 billion U.S. dollars' worth of goods in 1991, accounting for 71 percent of the country's total export volume, and imported 30.52 billion U.S. dollars' worth of goods, accounting for 77 percent.

The list was jointly prepared by the Ministry of Foreign Economic Relations and Trade and the newspaper "INTERNATIONAL BUSINESS" [GUOJI SHANGBAO].

The largest export and import enterprise is the China National Chemical Import & Export Corporation (CCIEC) with its total transaction volume exceeding 8.4 billion U.S. dollars last year.

Twelve corporations, including CCIEC, were listed as biggest ones. Each of them exported and imported over one billion U.S. dollars worth of goods in 1991.

The 12 corporations include China National Cereals, Oils and Foodstuffs Import & Export Corporation, China National Textiles Import & Export Corporation, China National Metals and Minerals Import & Export Corporation, and Liaoning branch of CCIEC.

The number of foreign trade enterprises each with 100 million U.S. dollar import and export transaction volume increased by 35 to 178 last year.

## East Region

### Jiangsu Party Committee Ends Work Conference

OW2004025292 Nanjing Jiangsu People's Radio  
Network in Mandarin 1015 GMT 17 Apr 92

[From the "News" program]

[Text] The provincial party committee ended its work conference today. The conference made important arrangements for gearing up our province's reform and opening program and economic development. Based on Comrade Deng Xiaoping's important remarks and the guidelines of the plenary session of the Political Bureau of the party Central Committee, the conference proceeded from reality and set forth a strategy of concentrating on three aspects in speeding up our province's reform and opening program and economic development.

The conference urged: It is necessary to broaden the extent of market regulation, to give full play to the role of market mechanisms, and to basically form a new economic operational mechanism based on market regulation. Efforts should be made to open up to the outside world in an all-around way and to create without delay new superiorities founded on an export-driven economy, centered around the economic belt along the Chang Jiang, and aimed at quickening the drive to open and develop Shandong's Pudong. It is essential to rely on scientific and technological progress, to optimize the industrial structure, and to gradually form a new economic structure guided by new and high technology.

The conference maintained: At present, it is essential to focus on enterprise, commodity, and financial reforms in trying to create a mechanism based on market regulation. The enterprise contract management responsibility system should be improved through the dissemination of experiences gained by Xuzhou in smashing the three irons [iron rice bowl, iron-clad wages, and iron armchair] and by Wuxi-based state-run and village and town enterprises in supplementing each other's superiorities. Pilot projects should be conducted on implementing an overall responsibility system for input and output and on expanding the shareholding system. Enterprises should be allowed to diversify their operations so that they can change their operational mechanisms, enter the market, and truly become commodity producers and managers that operate independently, assume responsibility for their own profits and losses, develop themselves, and exercise self-restraint as necessary.

In the area of circulation, operational, pricing, employment, and distribution, policies should be liberalized. Efforts should be made vigorously to develop multi-channel wholesale businesses. If possible, localities should gradually develop a system of brokers and agents after running pilot projects. In financial reform, it is necessary to take such measures as developing diverse financial institutions, improving credit management methods, experimenting with issuing stocks, increasing the issuance of bonds, and setting up open foreign

exchange regulatory markets, so as to make full use of funds circulating in society and to achieve breakthroughs in cash flow.

The conference urged: In developing an export-driven economy, it is essential to implement existing policies effectively and flexibly. Efforts should be made to exercise sound management over the Nantong, Lianyungang, and Kunshan Development Zones. In accordance with the state's strategic plans for the 1990's, which call for focusing developmental efforts on Shandong's Pudong New District, it is necessary to concentrate on opening up the economic belt along the Chang Jiang, to expedite the pace of opening up the Suzhou-Wuxi-Changzhou area, to accord the Kunshan Development Zone the same rights as those granted to the Nantong and Lianyungang Development Zones, and to gradually expand the development zones. The role of the Kunshan Development Zone in linking Shanghai's Pudong with our province's economic development should be further exploited by accelerating the zone's construction. It is essential to gear up the pace of opening Nanjing to the outside world and to give full rein to the city's role as the provincial capital. In opening up to the outside world, the focus should be placed on utilizing foreign funds. Vigorous efforts should be made to set up partly or wholly foreign-owned enterprises. Large and medium-sized enterprises, in particular, should be encouraged to make joint investments and cooperate with foreign companies.

The conference noted: Reliance on scientific and technological advancement is the key to raising our province's economic construction to a new level during the 1990's. Scientific and technological progress is founded on the industrialization of new and high technology and the transformation of traditional industries through the application of new and high technology. Construction of the Nanjing and Nantong Industrial Development Zones for new and high technology should be accelerated, as should that of the Suzhou-Wuxi-Changzhou belt for implementing the Torch Program. It is necessary to boldly relax policies and to accord special preferential treatment to those zones and the belt. During the Eighth Five-Year Plan, efforts should be concentrated on upgrading such traditional industries as machine-building, textiles, and pharmaceuticals, so as to create a new advantageous position supported by mainstay industries. Scientific and technical personnel who have made remarkable contributions should be rewarded generously. Those who have rendered meritorious service should be awarded directly with a certain portion of net profits newly generated within one year of marketing mass-produced technological development achievements.

The conference emphasized: In speeding up our province's reform and opening program and economic development, it is first necessary to further emancipate the mind. The leadership and rank and file throughout the province, especially leading cadres and organs, should

thoroughly study and implement Comrade Deng Xiaoping's important remarks and the guidelines of the plenary session of the Political Bureau of the party Central Committee. They should truly foster a common understanding on the essence of Comrade Xiaoping's remarks and shatter all ideological constraints that impede their action. At present, it is necessary to focus on solving several problems.

First, it is essential to overcome the mentality that places undue emphasis on stability and fears risk-taking, and to foster a concept that inspires bold experimental and pioneering action. Second, it is essential to combat the mentality of being satisfied with the status quo and to nurture a concept that seeks constant progress. Third, it is necessary to overcome the influences of leftist ideology and to reinforce the concept that favors the development of productive forces. Fourth, it is essential to lift the ideological hurdle posed by strict adherence to conventions and to enhance realistic and innovative concepts. Only great mental emancipation can lead to massive development of the productive forces.

The conference stressed: Leaders at all levels should concentrate on firmly implementing various reform and opening initiatives worked out by the provincial party committee and the provincial government. They should combat formalism and bureaucratism and further change their work style. Governments at all levels should streamline administration, delegate power to lower levels, modify government functions, and strengthen leadership bodies in keeping with the new situation of reform, openness, and economic construction. They should consistently uphold the principle of taking a two-pronged approach [simultaneously developing the economy and combating crime] and ensure thorough implementation of various measures on reform, openness, and economic construction.

The conference urged the broad masses of cadres and people throughout the province to emancipate their minds, to work in high spirits, to demonstrate a pioneering and enterprising spirit, and to work in a down-to-earth manner. It also asked them to work more boldly, rapidly, and practically, and to strive for new standards in Jiangsu's program of reform, openness, and construction.

The work conference of the provincial party committee made the important arrangements on the basis of the findings of the provincial party committee during intensive month-long investigations and studies, the crystallization of popular wisdom embodied in extensively canvassed opinions, and our province's reality.

Shen Daren, secretary of the provincial party committee, delivered an important speech at the closing session. During the conference, Chen Huanyou, deputy secretary of the provincial party committee and governor, offered a specific explanation of the decision on several issues regarding the acceleration of our province's reform and opening program and economic development. Other speakers at the conference included responsible persons

from the Xuzhou, Suzhou, and Wuxi City Party Committees; the provincial branch of the People's Bank of China; and the provincial Foreign Economic Relations and Trade Commission. Among the conferees were responsible comrades from the Standing Committee of the provincial party committee, the provincial advisory commission, the Standing Committee of the provincial people's congress, the provincial government, the provincial committee of the Chinese People's Political Consultative Conference, the provincial discipline inspection commission, and the provincial military district. Also attending the conference were secretaries of party committees and mayors of various cities under the provincial government, secretaries of some county party committees, and leading responsible persons from various departments under provincial-level organs.

#### **Wu Bangguo on Pudong Development, Opening**

*OW1804170092 Shanghai JIEFANG RIBAO in Chinese  
12 Apr 92 p 6*

["Accelerate the Development and Opening of Pudong in a Down-To-Earth Manner," by Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, on the occasion of marking the second anniversary of the development and opening of Pudong; the article was first published in PUDONG DEVELOPMENT MAGAZINE; date and issue of magazine not given]

[Text] It was on 18 April 1990 that Premier Li Peng, on behalf of the CPC Central Committee and the State Council, announced to the world the major strategic decision of developing and opening Pudong. A mere two years since that announcement, under the correct leadership of the CPC Central Committee and the State Council, the development of Pudong has achieved concrete progress and the present situation at Pudong is very encouraging. The construction of the Nanpu Bridge, which bears the personal inscription of Comrade Xiaoping, has been victoriously completed and opened to traffic. The construction of the Yangpu Bridge is in progress, and its bridge base now exceeds 140 meters. The Pudong Gas Works, with a daily output capacity of 2 million cubic meters, has been put into operation and has begun supplying natural gas to citizens. The construction of a television tower, the highest in Asia and dubbed the "bright pearl of the Orient," has begun. The expansion project of Yanggao Road, scheduled to be completed in two and half years, will be completed within a year. The construction of the Waigaoqiao wharf and the Waigaoqiao power plant are in earnest. Concrete actions have been made to begin the development of the Lujiazui, Jinqiao, Waigaoqiao, three small development zones. Twelve foreign banks have moved into Pudong. Last year saw the beginning of the construction of four banking and trading buildings; the building of another 12 such buildings will begin this year. The Alice Garment manufacturing plant has been put into operation. The Dupont pesticides plant, with an investment of \$25 million, is scheduled to begin operation in the next 14 months. The building of a segregation strip of the

Waigaoqiao Bonded Zone has been completed, checked, and accepted. An increasing number of foreign investors have shown interest in the golden land of Pudong. A large number of projects have been under negotiation, among which are some 200 prospective projects involving a total investment of \$3.4 billion. An air of vibrancy now pervades Pudong.

The 1990s mark the entering of the second decade of our country's reform and opening. History entrusts Shanghai with a golden opportunity and pushes Shanghai to the forefront of reform and opening. We must accelerate the development and opening of Pudong in a down-to-earth manner, promote economic development in the regions along the middle and lower reaches of the Changjiang, and make fresh contributions to the nation's economic construction. During the Eighth Five-Year Plan Period, the municipal CPC committee and the municipal government plan to see the basic completion of the following big projects. They include: Two bridges; one road expansion; a deep-water wharf; the initial taking shape of the four small development zones, namely, Lujiazui, Jinqiao, Waigaoqiao, and Zhangjiang; and the startup and completion of a number of major projects that will attract domestic and foreign attention. It is hoped that the framework for a modernized "east Shanghai" formed by the four little development zones in Pudong will take shape at the end of this century.

The tasks for accelerating the development and opening of Pudong will be very arduous. However, Shanghai is presented with a golden opportunity and the conditions are also very favorable for Shanghai to accelerate the development and opening of Pudong. The prospects are really bright.

First, the CPC Central Committee, the State Council, and the older generation of proletariat revolutionaries have showed concern and have supported the development and opening of Pudong. When Comrade Deng Xiaoping inspected the Shanghai work last spring festival, he warmly encouraged us to do a still better job in developing Pudong; he also called on us to accelerate the pace of development and urged us to be bolder in development. During his recent inspection of Shanghai, Comrade Jiang Zemin repeatedly called on us to persistently and comprehensively implement the party's basic line, further emancipate mind, accelerate the pace of reform and opening, and do a good job on the development of Pudong. When attending the ceremony in Shanghai to celebrate the opening to traffic of the Nanpu Bridge last November, Comrade Li Peng called on us to accelerate the infrastructure construction and do a good job on the development and opening of Pudong by relying on the Shanghai technical levels, Shanghai work style, Shanghai efficiency, and Shanghai spirit which we have displayed in building the Nanpu Bridge. The central authorities also decided to formulate new policies to support the development of Pudong. We will surely accelerate the development and opening of Pudong by firmly implementing the guidelines and instructions laid down by the leading comrades of the CPC Central

Committee and the State Council and by relying on the common efforts of all the people in the municipality.

Second, Shanghai has a pool of talented people and enjoys economic and technological advantages. We have some 1,000 scientific research institutes, over 50 universities and colleges, and some 800,000 technicians. Twenty-eight people from Shanghai were recently elected into the national academic council; they are important forces for developing Pudong and invigorating Shanghai. It is necessary to give full play to the "multiplier" role of science and technology in the economic construction and help promote the development and opening of Pudong.

Third, cadres and the masses in Shanghai are highly motivated in developing Pudong; this is very important. They hope to accelerate the development and opening of Pudong through their efforts. They had displayed their common aspirations and their dedication during the construction of the Nanpu Bridge and in the course of harnessing the Taihu.

It is necessary to turn these favorable and objective conditions into a strong force that propels the development and opening of Pudong. To achieve that, we must comprehensively implement the party's basic line of "one central task and two basic points," further emancipate the mind, change our concepts, be brave to assume responsibility, and dare to explore. We should ensure "adopting a new approach to tackle new undertakings, managing special matters with special ways, prioritizing matters of urgency." It is necessary to properly understand the true spirit of the line, principles, and policies of the CPC Central Committee, make the best use of the favorable policies given by the central authorities, take into consideration of the reality of respective units, and work creatively. Emancipation of the mind means seeking truth from the facts and proceeding from reality. The degree of mind emancipation decides the depth, breadth, and progress of the Pudong development. In the course of developing Pudong, we must play "the Chinese card" and be "foreign-oriented." We warmly welcome the investment from State Council's departments, commissions, other provinces, municipalities and welcome their taking part in the development of Pudong and running industrial and commercial enterprises in Shanghai. As we plan to further enlarge the scale of utilizing overseas capital and importing advanced technologies, we welcome foreign countries and regions to take part in the development of Pudong and transformation of Puxi.

We have created a good start for the development and opening of Pudong through two years of efforts. We will work in a down-to-earth manner to accelerate the pace of reform and opening in Pudong, strive to reach a new level in the construction of the New Pudong and in Shanghai, and build Shanghai into a modernized international city of socialist China as soon as possible.

**CPPCC Members on Accelerating Pudong Development**  
*OW2004193992 Beijing XINHUA in English*  
1605 GMT 20 Apr 92

[Text] Shanghai, April 20 (XINHUA)—The Chinese Government should be farsighted concerning the development of the new Pudong district and grant the district additional preferential policies.

This was the view shared by a group of the Shanghai City committee members of the Chinese People's Political Consultative Conference (CPPCC) from Hong Kong and Macao.

Attending the on-going annual meeting of the Shanghai City CPPCC committee, the group expressed their views this morning during talks with officials in charge of development in the new Pudong district.

Xia Keqiang, director of the Pudong Development Office, briefed the group on planning and the construction of basic facilities in the district.

Some CPPCC members said that the new Pudong district should learn from the experience of development zones in foreign countries, and by doing so the pace of development could be accelerated.

They noted that the development of Pudong requires strategic thought, and some said that the development of Pudong should be organically combined with the development of Shanghai as a whole—similar to the relationship between the development of Kowloon and Hong Kong.

The CPPCC members also voiced their views concerning the development of the Shanghai Securities Exchange and banking system reform.

### Central-South Region

**Secretary Zhao Fulin on Reform, Opening**

*HK2004113092 Nanning Guangxi People's Radio*  
*Network in Mandarin 1130 GMT 14 Apr 92*

[Excerpts] The fourth enlarged plenary session of the sixth regional party committee was held in Nanning today. The plenary session was designed to study the spirit of the plenary meeting of the CPC Central Committee Political Bureau and of Comrade Deng Xiaoping's important speeches so that every participant would profoundly grasp the essence, free themselves from old ideas, reach a consensus, evaluate their experience in light of actual conditions, find out where Guangxi lagged behind others, work out specific measures to expedite reform and opening, and seize the favorable opportunity to make a success of Guangxi's economy. [passage omitted]

The opening ceremony was presided over by Cheng Kejie, deputy secretary of the regional party committee and chairman of the regional people's government.

Regional party committee Secretary Zhao Fulin gave an important speech.

In his speech, Zhao Fulin advanced five opinions on ways to intensify the study of and to implement the spirit of the plenary meeting of the CPC Central Committee Political Bureau and of Comrade Deng Xiaoping's speeches.

1. We should intensify the study of the relevant documents to deepen our understanding so that we will be more conscious and firmer in carrying out the party's basic line. In the course of the study, we must focus our attention on the party's basic line, the core, and try to have a good grasp of the criteria for judging the surname of particular policies. We should boldly carry out experiments and take action so long as what we do is conducive to developing our socialist society's productive forces, increasing our overall national strength, and improving the people's living standards. We should dare to carry out experiments and blaze new trails in expediting reform and opening. In the course of the study we should apply the spirit to our thinking and work, and measure and evaluate our work by the spirit, to discover experience suitable for our own areas or units carrying out reform and open policies and developing the economy, as well as the gap between ourselves and advanced areas. We must make meticulous efforts to work out measures and take practical steps to apply the spirit of the documents.

2. We must free ourselves from old ideas to expedite reform and opening. At present, we must first of all deepen reform, set up a new economic operational mechanism, reform the internal mechanism of state-owned enterprises with the stress on transforming the enterprise operational mechanism, do away with the practice of allowing everyone to eat from the same big pot and smash the three irons, enliven state-owned enterprises, especially state-owned large and medium enterprises, and subject enterprises to market forces to make them socialist producers and operations of commodities so that they will establish mechanisms of self-management, self-development, and self-restriction and become responsible for their benefits and losses. We will select 100 state-owned large and medium industrial enterprises across the region as experimental spots for carrying out the comprehensive reform of the operational mechanism and select 100 commercial enterprises to carry on the pilot project work for lifting restrictions in four respects. Concentrated efforts should be made to help money-losing enterprises to get out of the red. In addition, we must successfully carry out in 50 state-owned export-led enterprises experiments with the policies copied from foreign-funded enterprises and in 50 small state-owned enterprises experiments with the policies copied from township and town enterprises in a bid to help enterprises to proceed toward the market where only the fittest survives. The contracted managerial responsibility system for enterprises should be improved and a supervisory system set up and perfected.

We must continue to deepen rural reforms. In the course of rural reforms we should do a good job of the following: 1) Continue to stabilize and improve the contract responsibility system on a household basis with remuneration linked to output and improve the dual management system which combines unified and independent operations. By and large, [words indistinct] contract relationship should remain unchanged. 2) Set up and improve socialized service system. 3) Set up a mechanism which can arouse enthusiasm of various social sectors for agricultural production. 4) Readjust the agricultural production pattern. 5) Continue to carry out experiments with county-level comprehensive reforms and various rural reforms.

It is necessary to step up financial reform, to reform the system of controlling prices to further free prices, to set up and improve a management system for the market to enliven circulation, to vigorously spur the reform of the management system for science and technology, to set up and improve a social security system at a greater pace, to speed up housing reform, and to simplify administration and devolve more powers to lower levels delegating them authority to grant permission.

Comrade Zhao Fulin said: We must expedite reform, open wider to the outside world, introduce investment from abroad and establish lateral ties at home, and step up development of our region's export-led economy. It is necessary to run well and expand open areas and development areas, run better existing open cities Beihai City and Fangcheng Port along the coastal areas, and place an effective grip on the trial construction of six economic and open zones along the coastal areas. In addition, areas open to the outside world should be expanded. Apart from making (Duzhou) Town and Pingxiang City open areas along the border, efforts should be made to establish Nanning City and Qinzhou City as cities open to the outside world; set up additional four to 10 economic and open zones at county or city levels in (Sanyuan) Prefecture; and build in a planned way economic and open areas along the coastal areas, the border, the river, and the railway. We must introduce investment from abroad at a greater pace and establish lateral ties at home, expand [words indistinct], and stimulate foreign trade. While talking about border trade, Zhao Fulin said: The principles we should follow in developing foreign trade are: Opening the south and establishing ties in the north, namely, opening to the outside world in two directions; promoting trade first and then forming a trade-industrial combination; coordinating the efforts [words indistinct] and expanding [words indistinct] gradually; and working together with other provinces in southwest China to achieve common development. [passage omitted]

3. We must make concentrated efforts to effect an upswing in economic construction. He said: How fast should we go ahead in developing our region's economy? In light of the objectives set in our Eighth Five-Year Plan and 10-Year Program and the progress we made last year in implementing the plan and program, the regional

party committee maintained that the following requirements are necessary: The original plans and general objective should remain unchanged; the average growth rate of our national economy should be higher than the corresponding national figure; and a two-digit growth rate should be achieved by prefectures, cities, and counties with favorable conditions. Party committees at all levels should further emancipate their minds and constantly enhance their sense of responsibility and urgency of stepping up economic development.

4. We must persist in paying equal attention to both material and spiritual civilization, continuing to keep effective tabs on the latter. He said: We must crack down on criminal activities while continuing to stimulate reform and opening. Education in law and order should be strengthened through establishing a legal system and the process of formulating the legislation should be accelerated.

5. We must strengthen leading bodies and truly change their style of thinking and work.

Comrade Zhao Fulin finally said: Party organizations at all levels throughout the region and all party members must respond to the party Central Committee's call to more closely rally around the party Central Committee with Comrade Jiang Zemin at the core and unite and lead the people of all nationalities across the region in placing a firm grasp on the party's basic line, emancipating their minds, bracing their spirits, boldly blazing new trails, displaying a pioneering spirit, working hard, fighting to win, and expediting reform and opening up to the outside world to greet the 14th National CPC congress with outstanding achievements in economic construction and other areas of our endeavor.

### Stresses Party Gun Control

HK2004132092 Nanning Guangxi People's Radio  
Network in Mandarin 1130 GMT 14 Apr 92

[Excerpts] The party must further strengthen gun control to meet the needs of the new situation. This is what regional party committee Secretary Zhao Fulin emphasized at the regional meeting to exchange experience in the party's gun control jointly held by the regional party committee and regional military command on 13 April.

Regional party, government, and military leaders Cheng Kejie, Liu Mingzu, Long Chuan, (Wei Jisong), Wen Guoqing, et al attended the meeting. [passage omitted]

The meeting was presided over by Cheng Kejie. Zhao Fulin and Wen Guoqing [Guangxi regional military commander] made speeches in turn.

A total of 14 units briefed the audience on their experiences in this respect.

Zhao Fulin stressed the need to strengthen the party's gun control in five ways.

1. Deepening the understanding of the importance of gun control by the party. He said: That the party commands the gun has always been our party's principle and also the most fundamental principle we must unremittingly carry out in strengthening reserve forces. Every comrade of ours, especially leading comrades at all levels, must foster a firm idea that the party commands the gun, enhance their sense of mission and responsibility, and properly handle the relationship between strengthening national defense and promoting economic construction while persisting in making economic construction our central task.

2. Adhering to and improving rules and regulations concerning gun control by the party and introducing the six systems: The system of placing militia and reserve forces under the dual leadership of the party committee and government as well as the military organ at the corresponding level; the system of party committees [words indistinct]; the system of party committees and armed forces committees [words indistinct]; the system under which the party committee secretary is concurrently the first secretary of the military department party committee at the corresponding level; the system under which the first secretary and director of the armed forces committee are required to regularly work at the military organ; and the system under which a key leading member from the military organ attends the meeting of the party committee standing committee and the administrative body at the corresponding level.

3. Giving full play to militia and reservists in promoting material and spiritual civilization. All localities should organize militia to help public security departments maintain social order and crack down on various criminal activities so that they will really play a protective role in reform and opening.

4. Conscientiously solving practical problems concerning the building up of armed forces, improving the administration of cadres in charge of the armed forces, properly carrying out infrastructural projects for reserve forces, earnestly solving the problems concerning the cadres' payment and well-being, and placing an effective grip of the plan for supporting armed forces by engaging in production.

5. Continuing to support the army units in developing themselves to make contributions to the modernization of national defense.

Wen Guoqing fully reaffirmed the achievements scored by this region in strengthening the party's gun control. He said: It is necessary to raise our ideological understanding of the need for the party to exercise control over the gun from the high level of running the country well and giving the people peace and security. We must uphold the principle of the party commanding the gun out of strong sense of responsibility. It is essential to constantly evaluate the new situation and solve new problems and give full play to the advantageous dual leadership system. Efforts should be made to uphold the

party's basic line, to strengthen militia and reserve forces politically through various channels and in every respect. We must make use of the existing system to render meritorious service and enthusiastically lead the large numbers of militia and reservists to play a protective role in reform and opening and economic construction.

At the meeting Liu Mingzu read out the decision made by the regional party committee and military command on commending 22 advanced units and nine advanced individuals that had acquitted themselves well in strengthening the party's gun control.

### Meets Shenyang Trade Delegation

HK2104085092 Nanning Guangxi People's Radio  
Network in Mandarin 1130 GMT 16 Apr 92

[Text] On the morning of 16 April, regional party committee Secretary Zhao Fulin and regional government Vice Chairman Wei Jisong met in Nanning Hotel with a visiting Shenyang City economic and trade delegation.

Zhao Fulin praised the Shenyang City economic and trade delegation for coming to visit, inspect, and discuss large-scale cooperation with Guangxi and for displaying a pragmatic and efficient work style.

Zhao Fulin noted: The initiative taken by Shenyang City to cooperate with Guangxi in economic development has fully proved that Shenyang City has acquired an in-depth understanding of and taken swift action in accordance with the spirit of the recent CPC Central Committee Political Bureau plenary session as well as the spirit of Comrade Deng Xiaoping's important speeches. Guangxi and Shenyang have great potential in complementing each other in this regard. Being one of China's industrial bases, Shenyang has a sound foundation in this connection. I hope that Shenyang City will further expand cooperation with Guangxi and that Guangxi and Shenyang will further promote each other's development and embark on common development.

During its stay in Guangxi, the Shenyang economic and trade delegation has inspected Beihai, Qinzhou, Fangcheng, Dongjin, Nanning, as well as some other areas, where it has held talks with the local authorities on quite a few cooperation projects and signed a total of 135 contracts with them. A new batch of projects is still under discussion at present.

### Hainan Bank President Jailed for Taking Bribes

HK2004135392 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1015 GMT 19 Apr 92

[Text] Haikou, 19 April (ZHONGGUO TONGXUN SHE)—Tang Juqiu, former president of the Hainan Provincial Construction Bank was sentenced to seven years' imprisonment by the Haikou Intermediate Court a few days ago in accordance with the law for taking bribes.

During his tenure of office, in 1988, Tang Juqiu, 61 years old, granted loans two times in succession by practicing favoritism and extorted 20,000 yuan and 3,500 yuan in discount and service charges respectively.

Investigation by the Haikou City Procuratorate reveals that Tang Juqiu accepted a total of 23,500 yuan in bribes by taking advantage of the power in his hands, and the facts are irrefutable. The Haikou City Intermediate Court sentenced him to seven years' imprisonment according to law on bribe-taking charges.

#### **Guan Guangfu Calls for Accelerating Reform's Pace**

HK2104092792 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 16 Apr 92

[Excerpts] On 14-15 April, provincial party committee Secretary Guan Guangfu visited Zhangjin Village and some other units of Qianjiang City, where he also carried out investigations and study.

During his inspection, Guan Guangfu emphatically called for grasping current excellent opportunities, bravely carrying out explorations and innovative work, and speeding up economic development. He also urged Zhangjin Village to work hard and strive to become a first-rate village in Hubei.

Tian Qiyu, provincial party committee standing committee member, Wang Shengtie, secretary of the Jinzhou Prefectural CPC Committee, and Xu Linmao, commissioner of the Jinzhou Prefectural Administrative Office, accompanied Comrade Guan Guangfu during his inspection.

On 14 April, Guan Guangfu and his entourage first went to Zhangjin Village, where they inspected a village-run garment factory. [passage omitted]

After visiting the garment factory, Comrade Guan Guangfu pointed out: In the years of reform and opening up, we must grasp current excellent opportunities, adopt correct principles and approaches, and persist in exploratory, innovative, and down-to-earth work. By so doing, undoubtedly some localities and enterprises will develop by leaps and bounds. The road the Xingfu Garment Factory of Zhangjin Village has traversed has fully proved this. Therefore, we must firmly grasp current excellent opportunities to accelerate the pace of reform, expand opening up, and waste no time in swiftly developing the Hubei economy. The areas and enterprises with favorable conditions and a sound foundation should strive for faster development and bring about a real take-off in terms of speed, efficiency, and management.

Comrade Guan Guangfu also asserted: Taking the road of building socialism with outstanding Chinese characteristics means proceeding from actual conditions in doing all types of work. To this end, we must be bold in exploring, innovating, and trying out all the new things we believe to be right. The structural reform pioneered

by Zhangjin Village, which was aimed at integrating the functions of the party and government with those of the enterprises and combining industry, agriculture, and commerce, has fully embodied this spirit. Things would not work should production relations remain unchanged. In order to experiment with the integration of the party, government, and enterprise functions at a village level, a village should possess a certain economic strength. Without economic strength, radiation scope, and attractiveness such as those possessed by the Xingfu Garment Factory of Zhangjin Village, it would be impossible for us to smoothly proceed with such experiments.

Comrade Guan Guangfu also laid particular emphasis on the role played by entrepreneurs. He stated: The role of entrepreneurs must be valued so that we will be able to implement to the letter the party's policies, grasp the current excellent opportunities with assurance, carry out scientific management, unite closely with the broad masses of staff and workers, and successfully run enterprises under the banner of socialism. On the other hand, entrepreneurs must be of excellent political, ideological, and professional quality, be capable of doing exploratory and down-to-earth work, and be good at conducting ideological and political work. Entrepreneurs must cherish and show concern for workers, respect the initiative of the working class, learn how to carry out ideological and political work, learn how to effect strict management, and draw upon and apply all advanced technologies and management methods of the world so long as they are conducive to provincial economic development.

Comrade Guan Guangfu also expressed the hope that Zhangjin Village will realize its ideal by striving to become a first-rate village in Hubei through hard work and keen competition in the foreseeable future. He also urged all those with a strong will to build first-rate villages in Hubei to participate in such competition and contest.

Comrade Guan Guangfu also spoke highly of Zhangjin Village's specialized agricultural production, systematized agricultural services, intensified agricultural operation, and integrated planting, breeding, and processing industries. He stressed: We must devote more energy to readjusting the existing structure by exploring new ways of expanding agricultural production and taking a new road of developing a foreign exchange-earning agriculture, an ecological agriculture, a scientific and technological agriculture, and an efficient agriculture.

#### **Guo Shuyan on Reforms 'To Free' Science Work**

HK2004153992 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 14 Apr 92

[Excerpt] Guo Shuyan, governor and deputy secretary of the provincial party committee, said yesterday at the fourth congress of the provincial science association that the payment for any scientist or technician who does jobs for other units in his working hours with the approval of the unit to which he belongs, should not be lower than 40 percent of the income obtainable from the

jobs, and that the income from jobs done in his spare time should be wholly payable to him.

In his speech, Guo Shuyan pointed out: Though Hubei scored great achievements in reform and opening in the 1980's, we still have a long way to go compared with coastal developed areas and other advanced provinces. The basic reason lies in our failure to emancipate our minds to a sufficient extent, act bolder, and take faster steps forward in the course of reform and opening.

To enable Hubei's economy to equal the national average development level, namely, to scale a new height, the only way out is to open wider to the outside world and deepen reform. The key tasks of the reform of the management system for science and technology are to lift restrictions on scientific research institutes and scientific and technological personnel, transform the traditional management system for science and technology and the traditional way scientific research is carried out, promote close integration of science and technology with the economy, and speed up the transformation of scientific and technological advancements into practical productive forces to expedite economic development.

The reform measures to further free scientific research institutes and scientific and technological personnel announced by Guo Shuyan are as follows:

Party and government departments, mass organizations, enterprises, and institutions will encourage and support their scientific and technological personnel in going to the forefront of the economic construction to establish rural enterprises, [words indistinct] enterprises, collectively owned enterprises, or scientific and technological entities run by the local people, under contract, on their own, or together with other partners with them playing a leading role, by allowing them to resign, reserve their posts on the condition their wages be suspended when they work elsewhere, or act as part-time workers.

Scientific and technological personnel are encouraged to carry out technological projects under contract in diverse forms, engage in transfer of technology and in technological development, and provide technical services.

Twenty to 30 percent can be taken from the net income to give scientific and technological personnel as subsidies or prizes. If scientific and technological personnel collectively carry out projects under contract with units, 10 to 20 percent of the net income will be given to the personnel as subsidies or prizes.

Big prizes will be awarded to those who make outstanding contributions. Subsidies will be given to scientific and technological personnel who undertake major scientific and technological projects at the national, ministerial, or provincial level.

Scientific and technological personnel are encouraged to engage in technological development and transfer of scientific and technological achievements. After the

projects go into operation, 5 to 8 percent can be drawn from [words indistinct] profits and taxes to give them as rewards.

Retired scientific and technological workers will be given full play and encouraged to accept technical contracts, provide technological advice and service, and engage in technological development. The income should be wholly payable to them. [passage omitted]

## North Region

### Beijing Mayor: Talent Should Serve Whole Nation

OW1804192592 Beijing XINHUA in English  
1349 GMT 18 Apr 92

[Text] Beijing, April 18 (XINHUA)—"Talent from the Chinese capital should serve the whole country," according to Beijing Mayor Chen Xitong, who was speaking at the Fifth Session of the Ninth Municipal People's Congress.

He noted that over the past two years a number of scientists and technicians have left Beijing for economic development zones in southern China.

While some officials are uneasy over the trend and fear the emigration might hinder development in the capital, Chen said it is in fact a good phenomenon.

According to Chen, "it is a waste to force all intellectuals to remain in Beijing." He contends the talent flow will help to improve the status of intellectuals.

Recent estimates indicate the about 10 percent of Beijing's citizens have completed some level of higher education. [sentence as received] In addition, the figures show that 200,000 people in the city are engaged in research, in addition to more than 100,000 scientists and engineers, and 720,000 technicians. Many of the group move to the south since they are unable to make full use of their talents in the capital.

Chen said that as for Beijing, the city welcomes intellectuals from other parts of China. He said that in order to attract talented people, organizations in the city must do their best to improve the living and working conditions of intellectuals, while giving full play to their abilities.

### Beijing Modernizes With Use of Foreign Loans

OW1904184392 Beijing XINHUA Domestic Service  
in Chinese 2142 GMT 18 Apr 92

[By reporter Li Yafei (2621 0068 7236)]

[Text] Beijing, 19 April (XINHUA)—Taking advantage of the current opportune time, Beijing is accelerating its modernization construction by vigorously importing capital, technology, and qualified personnel.

Following the importation of a 115,000-metric-ton large ethylene project, construction of major projects under

the Eighth Five-Year Plan at a cost of \$1.2 billion foreign loans—which Beijing borrowed—is in full swing. For example: Construction of a new subway from Xidan to Bawangfen with Japanese Government loans; the Gaopaidian Large Waste Water Treatment Plant, with the capacity to treat 500,000-metric-ton of waste water a day; the Shisanling Water-Pumping, Energy-Storing Electric Plant—designed to solve the problem of electricity during peak consumption periods; and the second-phase of the Shuiyuan Plant No. 9 project, which will increase the daily water supply by 500,000 metric tons, is in full swing. A Beijing environmental protection project, which is to be built with a loan of more than \$100 million from the World Bank, is now in the stage of bidding and procuring equipment. In its effort to open wider to the outside world, Beijing is actively using foreign loans. As of now contract volume has reached \$900 million. The loans were provided by 10 countries, including Japan, Italy, Germany, Britain, France, Sweden, the Netherlands, and Belgium, and international monetary organs. As of now, a number of projects, such as the Beijing Huakuan Milk Products Plant, the biggest in Asia, and the imported Shoudu Thermal Dynamic Pipe Network Technology Project, have been completed and put into production.

At the same time, Beijing has paid special attention to direct foreign investment in establishing enterprises. In the first quarter of this year, Beijing approved 266 joint ventures, cooperative enterprises, and wholly foreign-funded enterprises [three-capital enterprises], which involved a direct foreign investment of \$170 million, representing an increase of 64 percent and 124 percent, respectively, over the same time period as last year. The number of well-known transnational corporations from Japan, the United States, South Korea, and Western Europe which came to invest in Beijing has increased. First-class world technological products such as large integrated circuits, large logarithmic electric cable, and high-quality batteries manufactured by joint ventures, have raised the average investment in "three-capital enterprises" by 90 percent. By the end of March, the municipality had approved 1,827 enterprises invested in by foreign businessmen from 40 countries and regions. Their direct investment amounted to \$2.64 billion. At present, more than 600 "three-capital enterprises" have gone into production. In the first two months of this year, these enterprises' total output value, sales income, and industrial profits increased 5 percent over the same period of last year.

Taking advantage of the opportune time brought about by tariff exemptions for the importation of technological transformation projects in the Beijing area before 1993, a preferential policy approved by the state, Beijing has accelerated the importation of technology. Following the signing of contracts on the importation of gas pipe network monitoring technology from France, large butanol and octanol chemical equipment from Japan, and wool knitting machinery from Belgium, Beijing's automobile, electronic, machinery, metallurgical, and

light and textile industries are also actively expanding technological exchanges with foreign countries, holding negotiations with them on the importation of projects and on loans. As of now, Beijing has imported 1,900 items of technology from foreign countries, with the transaction volume reaching \$2 billion. Advanced foreign technology has been used to develop the automobile, electronic, food, light and textile, and building materials industries that suit the capital's characteristics, to transform such heavy industries as metallurgy, chemical engineering, and machinery, and to change the backwardness of more than 1,000 factories. The technical level of many enterprises shot up from the level of the 1960's to that of the 1980's.

While importing hardware, Beijing has also stepped up importing intellectual power by hiring qualified personnel from various countries. For example, foreign experts have been hired to provide consultation for the project of piping natural gas from Shaanxi, Gansu, and Ningxia to Beijing and for the planning of the Yizhuang Industrial Development Zone; to help the Shoudu Iron and Steel Company tackle difficult technological problems in making the 2060 rolling machine; and to participate in guiding the processing and installation of the rotor for the 600,000-kilowatt power generating unit of the Beijing Heavy Electric and Machinery Plant. Since 1985 Beijing has hired more than 700 experts from more than 10 countries and regions, including Germany, Japan, the United States, Canada, Britain, France, and the Netherlands. Their work involved industry, urban construction, agriculture, commerce, hygiene, finance, banking, and insurance. These foreign experts helped enterprises carry out technical transformations, adjust product mixes, and raise quality standards. They also provided advice on urban construction projects and on the development of modern agricultural projects and participated in research on new and high technologies and in tackling difficulties in key state scientific and technological projects. Marked results were made. The Beijing Piano Plant, in carrying out a large-scale technical transformation, hired the German expert, (Laomi Schell), to serve as deputy manager for production technology and as chief engineer. As a result, all the more than 100 sets of imported equipment were put to good use. This foreign manager developed nine models of new pianos for the plant. The result was that the plant quickly reversed itself, turning losses into profits. At present, its new model pianos are unable to meet demand at home. In addition, they are also sold in more than 20 countries and regions, including Germany, the United States, Britain, France, Japan, and Italy.

**Beijing Thermal Heat Project Begins Construction**  
*SK1904034892 Beijing BEIJING RIBAO in Chinese*  
16 Mar 92 p 1

[By reporters An Wei (1344 0251) and Liu Zhengfei (0491 2973 7236): "Construction of the Heating System Project of Shijingshan Thermal Power Plant Starts"]

[Excerpt] The heating system project of Shijingshan Thermal Power Plant, another major urban infrastructure project of Beijing Municipality, formally began construction on 15 March. Zhang Baifa, executive vice mayor; Huang Jicheng, assistant mayor; and (Aslav), senior professional attache of the World Bank Agency stationed in China, attended the ground breaking ceremony in Tiancunshan of Haidian District, using shovels to break ground for the project.

The Shijingshan Thermal Power Plant heating system project combines the heating systems of Shijingshan Thermal Power Plant, Shuangyushu Thermal Power Plant, and the Xibalizhuang, Enjizhuang, and Cuiweiyuan centralized boiler rooms, which have already been completed. The major purpose of this project is to transmit the 600 mega-kilocalories of idling heat of Shijingshan Thermal Power Plant to the city proper for use by residents. Major items of the project include the 32-km-long heat supply trunk pipes, the 63-km-long branch household-linking pipes, 205 heating power stations and boiler room heat exchange stations, two back-water pumps, and one large-scale heat supply plant. The project will be completed in 1996, with the new heating areas reaching 15 million square meters.

This project will cost 1.2 billion yuan in investment, including the \$54 million of loans granted by the World Bank. Among the Beijing environmental protection projects now under construction using World Bank loans, this heating system project is the biggest in investment, the most complicated in engineering, and the fastest in bringing benefits. Upon completion of the project, not only will the areas accessible by centralized heating system be greatly increased, but the quality of Beijing's environment will also be greatly improved. According to the estimate of the municipal environmental protection bureau, when the project is completed, the city proper will remove 350 boiler rooms and 1,300 boilers, save 460,000 tons of standard coal, and reduce the discharge of sulphur dioxide by 24,000 tons. [passage omitted]

#### **Beijing Sets Up Production Bases for Unemployed**

OW2104102192 Beijing XINHUA in English  
0954 GMT 21 Apr 92

[Text] Beijing, April 21 (XINHUA)—To improve the municipal unemployment insurance system, Beijing has set up 12 production bases, which has offered temporary posts for 1,500 jobless people.

Those who lose their jobs and do not receive unemployment benefits could apply for jobs in the production bases, those with unemployment benefits can also apply for jobs there in case they still have difficulties.

People are permitted to work in the production bases for one year.

The 12 production bases for unemployed people are scattered in the city's Dongcheng, Xicheng, Haidian,

Shijingshan districts and some other suburban counties. The Beijing Labour Bureau has taken more than 10 million yuan of investment to establish these bases.

Most of these enterprises in the production bases are labor-intensive industrial ones and those of service trades.

Up to now, the total industrial output value of these production bases has reached 25 million yuan, volume of profits and taxes has come to three million yuan.

These production bases could receive about 1,000 unemployed people a year.

#### **Beijing Mobilizes To Eliminate Pornography**

OW2104103092 Beijing XINHUA in English  
0948 GMT 21 Apr 92

[Text] Beijing, April 21 (XINHUA)—The Beijing Municipal Government has mobilized all the departments concerned in the campaign to eliminate pornography.

In the first three months of this year, departments concerned including press and publishing, public security, industry and commercial administration, post bureau and railways have taken rapid measures to ban pornography.

Statistics show that some 11 illegal publishing cases were uncovered, six illegal wholesale markets banned, 120 non-certificated book stalls closed, some 470,000 illegally-published books confiscated and more than 2,000 video tapes and 5,000 audio tapes captured.

In a recent meeting, the leading group of the municipal government responsible for the elimination of pornography said the campaign should be further implemented to eliminate pornography completely in the capital.

#### **Beijing To Make Blood 'Donations' Mandatory**

HK2104015592 Beijing CHINA DAILY in English  
21 Apr 92 p 3

[By staff reporter Zhu Baoxia: "Donations of Blood Mandatory"]

[Text] To improve the quality and quantity of Beijing's blood supply, healthy adults who live in the city will be required to donate blood.

As of July 1, males between the ages of 18 and 55 and females 18 to 50 will be tested for hepatitis and other diseases carried through the blood. Those with healthy blood must donate on a regular basis; the frequency has not been set.

In return, the donors are eligible for preferential treatment when they need blood transfusions. They will also receive an unspecified reward in money and time off. Currently, donors are given a stipend of 60 yuan or more and two days off work for each blood donation.

Beijing needs about 300,000 units, or about 60 million millilitres, of blood each year, and about half of it must be imported from other provinces.

Under Beijing's new regulations, people from other provinces, municipalities and autonomous regions who stay in the city for more than one year are also asked to give blood.

Work units, institutions and other organizations currently have quotas for the amount of blood that their employees must donate, and employees are asked to volunteer to meet the quotas. Under the new regulations, individual residents are required to give blood.

The regulations strictly forbid work units and individuals from employing professional blood donors—people who make their living selling blood—for fear that blood quality might deteriorate.

Many Beijing residents are unwilling to donate blood for fear that the loss of vital fluids might affect their health. Even the incentives of cash and time off don't persuade them.

Some even employ people, including blood sellers from neighbouring provinces, to take their places so that their work units can fulfill their blood donation quota. Some of these "stand-in" blood donors do not have physical examinations and blood tests beforehand.

Consequently, the Beijing Health Bureau have received letters complaining of hepatitis caused by blood transfusions.

This is the third province-level regulation in China to require blood donations. The first two have already been implemented in Shanghai and Liaoning Province.

Any units and organizations without licences from the Beijing Health Bureau are not allowed to accept blood donations or sell blood.

Those units and individuals who violate the above stipulations will be fined or otherwise severely punished.

The Beijing Health Bureau has already designated 23 medical units for blood collection work. The Beijing Blood Centre in Madian, Chaoyang District, is one of the biggest.

#### **Qinhuangdao City Sells Land Utilization Rights**

SK1704131892 Shijiazhuang HEBEI RIBAO  
in Chinese 19 Mar 92 p 1

[By reporters Yang Xuexian (2799 7185 0341) and Wang Shouben (3769 1343 2609): Qinhuangdao City Sells Land Utilization Right for the First Time]

[Text] The foundation stone for building the Qinhuangdao Ocean Garden Village, the so-called "small Jiulong," was set on 17 March. This was the first time that Qinhuangdao city sold land utilization rights and used foreign capital to develop its land on a large scale.

Zechang investment company will build the Ocean Garden Village. This company is located in the Qinhuangdao city economic and technological development zone cooperatively built by five corporations from Hong Kong and Macao, including the Wanfenghang Real Estate Corporation of Macao. Qinhuangdao city sold the right to use 1,231-mu land for 50 years. Zechang company bought the land and planned to build the Ocean Garden Village with a construction area of more than 1.5 million square meters. The garden village includes high-class apartments, residential houses, villas, and entertainment facilities. The highest building is 43 stories. The Ocean Garden Village lies adjacent to Xihai beach where Qinhuangdao Asian Games village is located. The people call the garden village "small Jiulong."

It took only three days to hold the talks, sign a contract, and lay the foundation stone for this village. Gao Kun, general manager of Zechang investment company, realized that Qinhuangdao has development prospects after the rapid laying of the foundation stone for the village's construction.

#### **Pace of Economic Development Quickens in Tianjin**

OW1804044392 Beijing XINHUA in English  
0309 GMT 18 Apr 92

[Text] Tianjin, April 18 (XINHUA)—Coastal Tianjin city has speeded its economic development in the first three months of this year.

Statistics show that the municipal industrial output value totalled 15.8 billion yuan in the first three months, 14.8 percent higher than the same period last year.

The city also created 540 million yuan of profits and taxes from industrial production in the first three months of this year, up 20.6 percent over the same period last year.

Since the beginning of this year, Tianjin has exerted more efforts to adjust the mix of products and promote the sales of its industrial products.

The municipal industrial enterprises have limited the production of 45 kinds of slow-selling goods while boosting the production of another 200 quick-selling goods in the first quarter of this year.

Of 240 kinds of newly-developed products in the city, 220 have already gone into production.

As a result, the sales volume of the city's industrial products has come to 14 billion yuan, an increase of 15 percent in comparison with the same period last year.

In addition, the city spent more on the fixed assets, key capital construction projects and technical upgrading during this period.

The first three months of this year saw the city export 450 million U.S. dollars worth of goods on record, up 12.7 percent over the same period last year; conclude

136 Sino-foreign joint ventures, doubling the figure of the same period last year; and have contracted foreign investment totalling 140 million U.S. dollars, 5.4 times more than the same period last year.

By the end of last March, the city had established 1,034 Sino-foreign joint ventures, and 32 of them have become operational.

### Northeast Region

#### Liaoning Holds Forum on Science, Intellectuals

SK1904031692 Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 13 Apr 92

[Text] The provincial conference on science, technology, and intellectuals was held in Shenyang today. Leading comrades including Quan Shuren, Yue Qifeng, Sun Qi, Shang Wen, Wang Chonglu, Xu Wencai, Ge Xifan, Wang Guangzhong, Zhang Zhiyuan, Wen Shizhen, Xu Shaofu, Lin Sheng, and Wang Shuzhi; deputy secretaries and vice mayors of various cities in charge of science, technology, and work on intellectuals; responsible persons of relevant provincial and city departments; and representatives of enterprises, scientific research institutes, colleges, and universities attended the conference.

Shang Wen, deputy secretary of the provincial party committee presided over the conference. Governor Yue Qifeng gave a report, entitled "Emancipate Minds, Deepen Reforms, Accelerate Scientific and Technological Progress, and Create a New Situation in Economic Construction."

Yue Qifeng said: Our province has achieved noticeable success in science, technology, and the work on intellectuals. Economic results have increased by 100 percent, and high and new-technological enterprises have been initiated. New progress has been made in relying on science and technology to develop the economy; the scientific and technological contingents have continued to expand; and the science and technology consciousness of all social sectors has been strengthened. However, our work still lags far behind some advanced regions, and our economic construction has not been fully directed to the path of relying on scientific and technological progress and raising the quality of laborers. We have failed to realistically create a macro climate for intellectuals to display their intelligence and wisdom. Some unknown scientific and technical personnel in our province became famous entrepreneurs when they went to the southern provinces. This shows that we have failed to thoroughly understand and pay sufficient attention to the major issue that science and technology are primary productive forces.

Yue Qifeng said: We should strengthen the reform dynamics, make flexible and vigorous use of policies, and further emancipate and develop the primary productive forces of science and technology. It is necessary to deepen the reform of the scientific and technological

system; abolish the practice of the iron rice bowl, iron armchairs, and iron wages and the practice of eating from a big common pot in scientific research institutes; gradually push scientific research findings to society and the markets; and uphold the system of making directors of institutes assume full responsibility. Scientific and technical personnel may be transferred to other units or be brought in from other localities provided this work is carried out within the scope of establishment of organs set by the state. Developmental scientific research units may determine their own wage standard and relax the limit of personnel quotas after they have stopped receiving working fund allocations and have become economically independent. As for a small number of scientific research units whose development orientation is unclear and the quality of their personnel is poor, and they produce no scientific and technological findings for a long time, we must merge them into enterprises or stop their operation.

Yue Qifeng emphatically pointed out: Since the third plenary session of the 11th party Central Committee, our province has issued many policies and measures which have played an active part in relaxing control over scientific research units and scientific and technical personnel. But some policies have not been well implemented, and some have not been implemented in places where needed. Therefore, all localities and departments should examine and sort out the policies and measures for scientific and technical personnel, which are being practiced in the existing scientific research units; have courage to smash and abolish all rules and regulations that are not conducive to emancipating and developing the productive forces, strengthening the overall national strength, and raising the people's living standards; try their best to make flexible and active use of all policies that are conducive to mobilizing the enthusiasm of intellectuals; and promptly sum up and popularize all fresh experiences gained in reforms and opening up that are conducive to boosting the enthusiasm of intellectuals. We must not hastily negate these experiences if they do not completely conform to the regulations from higher up. We must experiment and make improvements in the course of practice.

Yue Qifeng said: To better boost the enthusiasm and creativity of intellectuals and to promote scientific and technological progress, we have decided to formulate policy measures for further relaxing restrictions. The main contents are to allow the rational flow of scientific and technical personnel; encourage and attract them to work in medium-sized and small enterprises, in rural areas, and in township enterprises and neighborhood enterprises; allow scientific and technical personnel to engage in technical and service consultation in their spare time; give handsome awards to scientific and technical personnel who make great contributions; allow and encourage them to become wealthy ahead of others; and break with the old rules that the scientific research findings of scientific and technical personnel cannot be awarded twice. The provincial authorities have planned

to establish an award on invigorating Liaoning with science and technology, and to give handsome awards to a batch of scientific and technical personnel who have made outstanding contributions and achieved major economic efficiency.

**Liaoning, Thai Businessmen Sign Summary of Talks**

SK2104032892 *Shenyang Liaoning People's Radio Network in Mandarin 1030 GMT 18 Apr 92*

[Summary] On the afternoon of 18 April at Youyi Guesthouse, the Liaoning Provincial People's Government and representatives of Thailand's Chia Tai group of companies held a ceremony to sign the summary of talks.

Present at the signing ceremony were Yue Qifeng, governor of the provincial government; Wen Shizhen, vice governor of the provincial government; responsible persons of the departments concerned; Xie Guomin, president of the board of directors of the Chia Tai group of companies; and all members of the Tai delegation.

On behalf of both sides, Vice Governor Wen Shizhen and executive deputy director of the Chia Tai group of companies signed the summary of talks.

Both sides unanimously maintained: Liaoning Province and the group have widely pioneered cooperation spheres. Liaoning is a coastal province and has a rich industrial foundation. So, both sides have good prospects for cooperatively conducting technological transformation among old enterprises and for developing intensive processing industry. Thus, efforts should be made to develop the cooperation ties.

**Quan Shuren Fetes Group**

SK2104032992 *Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 18 Apr 92*

[Text] On the evening of 18 April at Taishan Guesthouse, Quan Shuren, secretary of the provincial party committee, met with all members of the delegation of Thailand's Chia Tai group of companies, headed by Xie Guomin, president of the board of directors of the group.

On behalf of the provincial party committee, Secretary Quan expressed warm welcome to the delegation.

Quan Shuren said: According to Comrade Deng Xiaoping's series of important speeches made during his inspection in the southern areas of China, Liaoning Province decided to further speed up the pace of reform and opening-up, to relax the restrictions of policies, and to make new headway in opening the province to the outside world. Liaoning and the Chia Tai group of companies have widely pioneered the cooperation spheres. We are full of confidence in this regard.

After the meeting, Quan Shuren gave a banquet in honor of the delegation.

Present at the meeting and the banquet were Xu Wencai, Standing Committee member and secretary general of

the provincial party committee; Wen Shizhen, vice governor of the provincial government; and responsible persons of the departments concerned.

**Northwest Region**

**Gansu Secretary Presides Over Plenary Session**

HK2104051592 *Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 15 Apr 92*

[Text] The Seventh Plenary Session of the Seventh Gansu Provincial CPC Committee was convened in Lanzhou yesterday.

The plenary session was attended by both provincial party committee members and alternate members and presided over by provincial party committee Secretary Gu Jinchi.

The plenary session deliberated and adopted: The decision of the seventh plenary session of the seventh Gansu Provincial CPC Committee on the convocation of a provincial CPC congress, according to which, a Gansu Provincial CPC Congress will be held in June of this year at which the Gansu deputies to the forthcoming 14th CPC National Congress will be elected.

The plenary session called on all party members to study and comprehend in an in-depth way both the spirit and essence of Comrade Deng Xiaoping's important speeches as well as the spirit of a recent CPC Central Committee Political Bureau plenary meeting, heighten both understanding and comprehension of the party's basic line, further emancipate minds, update concepts, ward off interference from the left, quicken the pace of province-wide reform and opening up, promote provincial economic development, and strive to greet the convocation of the forthcoming 14th CPC National Congress with more outstanding achievements in Gansu's rejuvenation.

**Qinghai Governor at Provincial Congress Meeting**

HK2104052592 *Xining Qinghai People's Radio Network in Mandarin 2300 GMT 15 Apr 92*

[Excerpts] The 26th meeting of the seventh provincial people's congress Standing Committee began in Xining yesterday.

Huanjue Cenam, provincial people's congress Standing Committee chairman, presided over the first session.

A total of 31 people, including Ga Bulong, Lu Shengdao, Xie Gaofeng, Ma Wending, Yang Wenjin, and Gaisang Doji, provincial people's congress Standing Committee vice chairmen, and provincial people's congress Standing Committee members, attended the meeting.

The meeting, in accordance with its schedule, first and foremost listened to reports made by Jiang Zhanzhong, provincial education department deputy director, Zhang Gonghan, provincial public security department deputy

director, and Hu Jinda, provincial agriculture and forestry department director. [passage omitted]

Ga Bulong, provincial people's congress Standing Committee vice chairman, made a report on preparatory work concerning the forthcoming fifth session of the seventh provincial people's congress, in which he said: The forthcoming convocation of the fifth session of the seventh provincial people's congress is a major event in the political life of the people of the whole province. Now the preparatory work concerning the session has basically been completed.

In the end, the meeting listened to a report made by Lu Shengdao, provincial people's congress Standing Committee vice chairman, on a draft plan concerning the number of deputies to and the methods of election for the forthcoming Eighth Qinghai Provincial People's Congress. [passage omitted]

Provincial Governor Jin Jipeng; Vice Governor La Bingli; Guan Que, provincial Chinese People's Political Consultative Conference committee vice chairman; Ma Yougong, provincial higher people's court president; Zuo Yuanze, provincial people's procuratorate deputy chief procurator; as well as persons in charge of various departments and units concerned also attended the meeting as guests.

#### Urumqi TV Urges Deng Personnel Promotions Line

OW1704133492 Urumqi Xinjiang Television Network  
in Mandarin 1655 GMT 16 Apr 92

["Station Commentary": "People Are the Main Factor"—from the "Xinjiang News" program]

[Text] In a sense, people are the main factor determining whether Chinese affairs can be managed properly, whether we can persist in building a socialist society and carrying on our reform and open programs, whether we can expedite our economic development, and whether our country can enjoy long-term peace and stability. In other words, whether or not these objectives can be attained rests with what kind of people are promoted to leading bodies.

The world today is changing fast. Imperialists and hostile forces are placing their hopes for China's peaceful evolution on Chinese people of the next few generations. Comrade Deng Xiaoping has pointed out that should there be problems in China, these problems would appear within the CPC. Therefore, what sort of people should be promoted to leading bodies is an important matter with a genuine bearing on the overall situation. This requirement is essential for upholding the line for China's development—a line set by the Third Plenary Session of the 11th CPC Central Committee.

It has become increasingly clear that we must promote to leading bodies those people who are ethically and professionally qualified—people who are revolutionary, younger in average age, better educated, and professionally competent. What does it mean to be ethically and professionally qualified? We refer to those who have contributed to upholding the reform and open line, and whose contributions have been commonly acknowledged by the people. When we have placed such people in leading bodies, people will understand that we are sincere in carrying out the reform and open policy and become receptive to socialism and the reform and open policy; our cause will then thrive and remain vital forever.

On promoting and cultivating people, we must emancipate our minds and change our thinking. What sorts of outmoded concepts and mentalities must we do away with as required by the situation in Xinjiang?

First of all, we should foster the Marxist view of using capable people, instead of emphasizing seniority. This means that there should not be cut-and-dried rules for promoting capable personnel, that we must place more young people in leading bodies, and that we must pay attention to cultivating successors from people of the younger generation.

Second, we must do away with the idea of satisfying everyone and trying to maintain a balance, and do away with outmoded mentality concerning cadres. We must make genuine efforts to open our minds, broaden our vision, and promote exchange of cadres. We should not pay attention to only a small group of people with whom we are familiar or only consider those within a small circle. We must pay attention to people from all parts of the country, persist in using those who are competent, and firmly reject all acts of intercession. Moreover, we must combat the tendency of placing emphasis on filling slots with people but disregarding educating them or supervising them. While it is essential to reorganize leading bodies, it is more important to heighten group members' political awareness, improve their work style, and make them more knowledgeable in Marxist theory so that they will become more coherent and militant, be more capable of handling their problems, and project a good image in carrying out the reform and open policy.

There are some cadres who have been busy going abroad, in [words indistinct], and in socializing; but not in taking part in economic construction, in strengthening unity, or in doing practical work. This situation must be changed.

We must attach great attention to building stronger party organizations and intensifying education for party members and cadres so that people who are loyal to Marxism can firmly wield the leading power, grass-roots party organizations can become fighting fortresses of reform and opening programs, and party members can become vanguards and models in carrying out the reform and open policy.

Comrade Deng Xiaoping has earnestly admonished us that after we have chosen the right people and helped train more young people to grow up, we will have peace of mind. This is indeed an important policy that should be implemented for a hundred years, or even a thousand years.

While adhering to the line characterized by one center and two basic points and building a socialist society with Chinese characteristics, we must properly deal with the key issue—the people issue. This is an extremely urgent and important matter.

**Taiwan Paper Urges Change in Mainland Policy***HK2104052792 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1137 GMT 6 Apr 92*

["Special feature" by Li Xiaozhun (2621 1321 6150)]

[Text] [no place-name as received] 6 Apr (ZHONGGUO TONGXUN SHE)—In view of the positive impact that the new reform wave on the mainland has had on Taiwan's political and economic situation, public opinion in Taiwan has been urging the authorities to seize this opportunity and reformulate a positive and assertive mainland policy with a pragmatic attitude and foresight, so as to bring about a breakthrough in cross-strait relations.

Since the beginning of this year, the new upsurge of reform and opening up set off by Deng Xiaoping's southern China tour has attracted extensive attention at home and abroad. The foreign businessmen who take a favorable view of the mainland's future economic and trade markets have been filing into the mainland, while a fresh upsurge of investment in the mainland by Taiwan has begun. At the same time, the appeal for "three direct links" between the two sides of the strait has once again been running high in Taiwan. Seeing this new situation, Taiwan's KUNG SHANG SHIH PAO [INDUSTRIAL AND COMMERCIAL TIMES] published an editorial today, arguing: At a time when the CPC is creating an atmosphere for further reform and opening up, what concerns one most is the impact it is having on cross-strait relations and how the government authorities will adjust the existing mainland policy accordingly.

Public opinion holds that, economically speaking, the success or failure of the mainland's economic reform is closely relevant to the economic cooperation among Taiwan, Hong Kong, and the mainland. There is already a fine foundation for economic cooperation among them at present and, if the two sides of the strait can bury the hatchet, cooperate peacefully, and put their energies into economic development, a highly efficient system of division of economic work is bound to come into being among the three places. Therefore, to actively participate or to stand by and remain indifferent is the first choice that the Taiwan authorities have to make.

Politically, though the new reform wave on the mainland will not bring any change to its overall policy toward Taiwan, KUNG SHANG SHIH PAO says that if both sides make up their minds and make some concessions in moving toward official contacts and high-level talks, there might be a favorable turn in cross-strait relations, which would then lead to a relatively stable political situation.

Therefore, public opinion holds that in order for the Taiwan side to change its rigid political stand by taking advantage of the favorable turn in the mainland's current political and economic situation, it should, apart from being pragmatic, formulate a positive and assertive mainland policy with foresight. This policy should

mainly include the following contents: First, a pragmatic exchange policy must be implemented within a short time. Especially in the economic exchange and cooperation between the two sides, it must discard unnecessary political antagonism and reduce political interference. Second, it should take the initiative and strengthen its economic cooperation with the mainland and Hong Kong. These are the most effective ways to political unity between the two sides of the strait.

Meanwhile, KUNG SHANG SHIH PAO stresses, in the foreseeable future, the mainland will definitely continue to implement the reform and opening up line with economic reform at the center. The Taiwan side should study this development on the mainland and earnestly consider the issue of direct commercial intercourse and traffic. Otherwise, if the Taiwan side continued to restrict itself, it would inevitably miss the golden opportunity and put itself in a dilemma.

**Taiwan, Mainland Enhance Science Exchanges***OW2104100692 Beijing XINHUA in English 0953 GMT 21 Apr 92*

[Text] Beijing, April 21 (XINHUA)—The exchanges of science and technology between the two sides of the Taiwan Strait are developing rapidly in various forms of cooperation, said a high official of China's mainland.

Xu Kunming, a leading official of the research section for science exchange across the strait under the State Science and Technology Commission, said that the exchanges between the mainland and Taiwan have been expanded from agriculture, aquatics, forestry and traditional Chinese medicine to the fields of oceanography, automobiles, computers, textiles, machine-building and electronics, chemical industry, aviation, nuclear power and meteorology.

He said now the scholars and experts on the two sides of the Taiwan Strait can participate in international academic conferences held on the mainland and more and more well-known figures from the science and technology circles in Taiwan visited the mainland in recent years. In the early period, only fishermen exchanged some small-sized equipment and fine breeds of agricultural and aquatic products.

Xu held that the exchanges launched by the nongovernmental organizations will be the main methods of the exchange of science and technology between the two sides of the Taiwan Strait.

The official said the cooperation of science and technology between Taiwan and the mainland is now closely combined with the development of production.

Now this kind of cooperation shows in two ways: With the technology from mainland, Taiwan invests to produce competitive products; Taiwan science and technology companies put forward the topics and provide

capital while the technology departments in the mainland offer the key technology or organize the research of the topics.

Xu said the six-year economic construction program in Taiwan plans to develop communication and 10 other newly-developed industries and 66 key products and scientific research programs. However, the official said, Taiwan has a limited science and technology force.

The mainland of China has established a pretty complete scientific and technological system. Among the more than 10 million scientific personnel, over 1 million people engaged in the scientific research and technology development.

The mainland of China is weak in making high-tech and new inventions commercialized. The cooperation between the two sides of the Taiwan Strait may help the industry on the mainland to apply the new technology and expand the export market, said Xu.

He said the science and technology circles on the mainland wish to widely exchange and cooperate with colleagues on Taiwan in a bid to revitalize Chinese nationality. So far the mainland has established 27 high-tech development zones and welcomed Taiwanese from the circles of industry and commerce and science to cooperate with the mainland.

Xu Kunming said, however, the unwise regulations of Taiwanese authorities erect barriers to the scientific exchange between the mainland and Taiwan. It is still hard for the scientists on the mainland to visit Taiwan and it is inconvenient to exchange scientific materials.

He hopes that the Taiwanese authorities can clear the obstacles between the two sides of the Taiwan Strait soon and consult with the mainland to establish normal channels for exchanges of science and technology in a bid to benefit the two sides of the Taiwan Strait.

**Government Moves To Avert Place on U.S. List***OW2104083292 Taipei CNA in English 0810 GMT  
21 Apr 92*

[Text] Taipei, April 21 (CNA)—The Republic of China is still seeking to work with the United States on intellectual property rights protection (IPR) in order to prevent Washington from listing Taiwan on its "priority watch list" of countries for "Section 301" action, a ranking official said Monday.

"We hope U.S. authorities will understand our sincerity and determination in improving IPR protection and in eliminating counterfeiting," noted Hsu Tsao-ling, deputy director-general of the Board of Foreign Trade.

Hsu headed the ROC delegation to a four-and-a-half-day round of talks on IPR protection, which ended in deadlock in Taipei earlier this month. During the consultations, American delegates criticized Taiwan for failing to adequately protect its intellectual property rights. In response, Hsu said, the government has decided to establish a computerized monitoring system to prevent pirated computer software and hardware from being shipped to the United States.

Customs authorities will tighten checks on U.S.-bound computer exports, Hsu said. In addition to software exporters, manufacturers of computer equipped with built-in software programs will also be required to produce copyright certificates when they export goods to the U.S., he explained.

Judicial authorities have also agreed to impose heavier penalties on commercial pirates in accordance with current laws, Hsu reported. In addition to prison terms, violators of intellectual property rights may also be fined. According to the current Copyright Law, pirates face a maximum of five years in prison.

The U.S. Government is scheduled to announce a "priority watch list" of countries with unfair trade practices on April 30. Countries on the list may face U.S. trade sanctions in accordance with the 1988 Omnibus Trade Act.

**Taipei To Open Offices in Moscow, Kiev, Minsk***OW1904024392 Taipei CNA in English 1530 GMT  
18 Apr 92*

[Text] Taipei, April 18 (CNA)—The time is almost ripe for the Republic of China [ROC] to open offices in the capitals of Russia, Byelarus and Ukraine, Vice Foreign Minister John Chang [Chang Hsiao-yen] said Saturday.

Chang, who just returned from a trip to the three former Soviet republics, told a press conference that he believes it will not be long before Taipei establishes offices in Moscow, Kiev and Minsk.

He said that during his meetings with ranking officials of the three countries, he repeatedly stressed the need to

give top priority to exchanging offices in developing bilateral relations, and the position had been well-received.

Chang left for Kiev on April 6 to attend a ceremony marking Ukraine's acceptance of ROC medical aid. After a 11-day tour of the three major member countries of the new Commonwealth of Independent States (CIS), he returned Friday with two senior Russian officials.

The two highest ranking Russian officials to visit Taiwan ever are Leonid Tchechinskiy, chairman of Russia's State Committee for Grain Supply, and Aleksandr Kmylov [name as received] minister of trade and material supply.

Chang revealed Saturday that Ukraine's health minister and deputy speaker of the parliament as well as the mayor of Minsk have also promised to visit Taipei in late April or early May.

Such high-level contacts are expected to facilitate the development of bilateral relations, he added.

Chang also reiterated that the Republic of China has not sought to buy weapons from the three CIS nations.

**Russia Thanks Government for Providing Food Aid***OW1804113392 Taipei CNA in English 0743 GMT  
18 Apr 92*

[Text] Taipei, April 18 (CNA)—Russia thanks the Republic of China [ROC] for providing 100,000 tons of rice in humanitarian aid, a ranking Russian official said Friday.

Russia hopes to establish trade and economic ties with the ROC, said Leonid Tchechinskiy, chairman of Russia's State Committee for Grain Supply, upon arrival at Chiang Kai-shek International Airport.

Tchechinskiy, Aleksandr Khlystov, Russian minister of trade and material supply, and their wives were accompanied here by Vice Foreign Minister John Chang.

Chang was returning from a visit to Russia, Ukraine and Byelarus. He attended a ceremony in Kiev marking Ukraine's acceptance of ROC medical aid.

Speaking through Khlystov, who speaks English, Tchechinskiy said he had come here at the invitation of Chang to attend a function marking the presentation of the food aid.

Asked if Moscow intends to develop official ties with the ROC, Tchechinskiy said his country now needs most to develop its trade and economy.

The ROC's strong economy and Russia's high technology can supplement each other, the Russian official stressed.

Chang, who left for Kiev April 6, said after visiting the three Commonwealth of Independent States members

that their relations with the ROC will become closer and closer if contacts can be continued skillfully.

Foreign Minister Chien Fu has told a Russian newspaper that the ROC had tried in vain to set up ties with the former Soviet Union.

The establishment of the CIS, which replaced the Soviet Union, is a good chance for the two sides to improve their relations, Chien told the IZVESTIYA.

In an interview with IZVESTIYA Executive Editor Vasily Zakarko, who recently visited Taiwan at the invitation of the Government Information Office, Chien said the ROC maintains cultural, technological and humanitarian exchanges with the United States, Canada, Britain, France and Japan in the absence of diplomatic ties.

The same model can be followed in developing ties with Russia, Chien observed.

The Russian newspaper printed the interview with Chien in its April 14 edition.

#### Foreign Minister on Mainland-ROK Relations

OW1904095392 Taipei LIEN HO PAO in Chinese  
15 Apr 92 p 4

[Report by Hu Yu-li (5170 3768 4539): "Chien Fu: We Are Highly Vigilant Concerning the Sino-Korean Issue. It Is Not Necessary To Scare Ourselves"]

[Text] Following the visit to Peking by South Korean Foreign Minister Yi Sang-ok, news went around concerning the establishment of relations between the Chinese Communists and South Korea. Foreign Minister Chien Fu yesterday pointed out: Concerning the Sino-Korean issue, we should heighten our vigilance but the sky has not fallen down. Chien Fu emphatically pointed out: If the sky falls down, I will be the first one to inform you all just as I informed you first of the severance of diplomatic relations between China [Taiwan] and Saudi Arabia in July last year. He said: "Now, I have not said anything like that, and so please ease your minds."

Regarding reports by Chinese and Korean mass media on the holding of a "summit meeting" and negotiations on establishing diplomatic relations between the Chinese Communists and South Korea, Chien Fu said: The South Korean Government has informed us of the contents of talks between Yi Sang-ok and the Chinese Communists during the past two days. The Korean side explained to us that Yi Sang-ok and Chinese Communist Premier Li Peng only held 30 minutes of talks through interpreters. It was noted during the talks that "highly level" contacts are beneficial to actual relations. However, this was later described as "summit" contact. The two are diametrically opposed. As to the report on the Chinese Communists asking South Korea to assist in the former's jointing GATT, Chien Fu also pointed out that there was no such thing inasmuch as the Korean side has already clarified this matter for us.

Chien Fu said that, for several days, he had paid close attention to the matter. He said: However, we must not think too seriously about this and it is not necessary to scare ourselves.

Chien Fu said: Prior to Foreign Minister Yi Sang-ok's visit to Peking, the Korean side had clearly explained to us that his trip was in order to attend the council meeting of the United Nations Economic and Social Commission for Asia and the Pacific [ESCAP]. His meeting with Li Peng and Qian Qichen was mainly due to the South Korean President and Foreign Minister's reception of Qian Qichen during the Asia-Pacific Economic Conference (APEC) in Seoul in November last year. The Chinese Communists would naturally reciprocate with the courteous treatment of Yi Sang-ok. The talks between the two sides were merely a meeting of a general nature.

However, when answering reporters' questions on whether South Korea still attaches importance to diplomatic relations between China [Taiwan] and Korea [South Korea], and whether diplomatic relations between China and Korea are still stable, Chien Fu said: As early as four and a half years ago, the highest authorities of the Korean government already clearly expressed that establishing diplomatic relations with the Chinese Communists was a road they were following. Now, after four and a half years, we have not seen any change in their actions. The thing has just not happened. Concerning this matter, Chien Fu said that he definitely would not dare use the word "optimistic" but he has never said anything pessimistic.

Chien Fu said: To deal with the problem of normalization of relations between the Chinese Communists and South Korea, we have constantly invited South Korean leaders and scholars to visit China [Taiwan]. The unprecedented change in public opinion in Korea is obvious to all. Chien Fu stressed that all we should be doing is being done with hard efforts. We should be able to see concrete results with every passing week. As to whether we should immediately call our ambassador to Korea Chin Shu-chi back to make a report to the Legislative Yuan as demanded by the Foreign Affairs Committee of the Legislative Yuan, Chien Fu said flatly: "Ambassador Chin is at present needed on the frontlines of a diplomatic battle. It is inappropriate to summon him back at this juncture to make a show." Regarding the legislators asking Chien Fu to make report on the current situation between China and Korea to the Legislative Yuan on Tuesday, Chien Fu also said frankly that he didn't see any advantage in making more reports. He held that things should have an order of priority and that his time should be spent on handling problems, not in making reports or answering questions.

The establishment of diplomatic relations between South Korea and the Chinese Communists seems to be imminent. It was learned that the present policy of the Foreign Affairs Ministry is to use "delaying" tactics. Having learned that South Korea would not change its

mind but also would not be heartless toward us, we are doing our best to gain time and maintain good relations with South Korea.

A diplomatic official pointed out that our Ministry of Foreign Affairs held urgent meetings to discuss this matter and to find methods to deal with the situation, as soon as South Korea prepared for its election and North Korea changed its attitude regarding demands by the United States and Japan on inspecting its nuclear facilities.

The diplomatic official noted that, for its election, the South Korean Government would certainly strive to seek diplomatic achievements to raise the prestige of the ruling party; while the Chinese Communists also hope to speed up the pace of establishing diplomatic relations with South Korea, as North Korea is also gradually departing from isolationism. Strengthening mutual high level visits by officials between China [Taiwan] and Korea, changing public opinion attitudes in Korea, and delaying South Korea's action toward the Chinese Communists through actual benefits for maintaining good relations with us, have become our main policy amid the unfavorable objective conditions.

The diplomatic official also pointed out that whether Secretary General of the Presidential Office Tsiang Yien-shi will still visit South Korea as a special envoy of the president depends on South Korea's attitude. However, if the message brought back home by South Korean Foreign Minister Yi Sang-ok is a specific timetable for establishing diplomatic relations with the Chinese Communists and the timing is very close to Tsiang Yien-shi's planned visit to Korea, or if the Chinese Communists put pressure on the Korean side concerning Tsiang's visit, the possibility of Tsiang Yien-shi's visit to South Korea will be very remote.

#### **Vietnam To Sign Investment Guarantee Accord**

*OW2104091292 Taipei CNA in English 0749 GMT  
21 Apr 92*

[Text] Taipei, April 21 (CNA)—Vice Economic Affairs Minister P.K. Chiang said Monday that Vietnam will soon sign an investment guarantee agreement with its largest foreign capital supplier, the Republic of China [ROC].

"The Vietnamese authorities have agreed in principle to the ROC's call to sign an investment guarantee pact," Chiang said. Details such as when it will be inked and who will sign the pact need further discussions, Chiang added.

Ministry officials revealed that Hanoi has actively prepared for the accord and the exchange of trade office with Taipei, but that Vietnamese authorities have tried to keep preparations secret in order to avert pressure from Peking. It has been reported that the issue may be discussed when the Indochinese country attends a Taipei import fair slated for August.

Relations between the two countries made a significant breakthrough upon Chiang's Vietnam visit in last September. He led a high-powered delegation to Vietnam where he met with Vietnamese trade, foreign affairs, transportation, and industrial ministers.

It was then that the two countries first reached a tentative agreement on the proposed swapping of trade offices and the investment guarantee pact. Sources close to the Economics Ministry said the two countries might first exchange trade offices and then seal the accord.

Taiwan has invested more than \$400 million in the communist-ruled country, thereby making it the largest foreign investor in Vietnam.

The Republic of China has signed similar pacts with Singapore, the Philippines, Indonesia, and Paraguay. The accords, which are designed to protect Taiwan businesses from being nationalized, will help in the courting of Taiwan investment funds.

#### **President Li Teng-hui Receives Dutch Minister**

*OW2104090692 Taipei CNA in English 0743 GMT  
21 Apr 92*

[Text] Taipei, April 21 (CNA)—President Li Teng-hui said Monday that cordial relations between the Republic of China and the Netherlands are ever closer. Li made the remarks while meeting with Yvonne van Rooy, Dutch foreign trade minister, who led an eight-member delegation to Taiwan April 19 for a five-day visit.

President Li extended appreciation to his guest for the assistance Holland has given to the Republic of China in developing reclaimed land, transportation and the marketing of flowers. Rooy said she believes the visit will cement economic and trade ties between the two countries.

#### **Mainland Changes Stance on Travel Regulations**

*OW1904051292 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT  
16 Apr 92*

[From the "National News Hookup" program]

[Excerpts] In the wake of strong displeasure expressed by the people in Taiwan and their planned boycott action, the Chinese Communist authorities have changed their position, saying that not everyone applying for the Taiwan Residents Entry and Exit Permit is required to submit a copy of his or her household register. (Huang Wenfang), head of the Taiwan Affairs Department of the Chinese Communists' XINHUA Hong Kong Office, said: Only people who have been found to be questionable applicants during the screening process are required to submit the household register copy. The following is a report by (Wang Hsiao-lin).

[Begin recording] On 14 April, the Chinese Communists promulgated new regulations on application for the Entry and Exit Permit by Taiwan residents. The new

regulations stipulate that the applicant must submit a photocopy of his or her identification card; passport, original and photocopy, and a photocopy of the household register. The new regulations, which make the application procedures more complicated, caused widespread displeasure among the people in Taiwan. The Mainland Affairs Commission of the Executive Yuan forthwith issued a statement condemning the action. The tourist companies also planned to boycott the mainland. The widespread displeasure has made the Chinese Communists aware of the seriousness of the issue. On the afternoon of 16 April, the Chinese Communists finally clarified the issue through XINHUA's Hong Kong Office. In an interview with the China Broadcasting Corporation, (Huang Wenfang), head of the Taiwan Affairs Department of the Chinese Communists' XINHUA Hong Kong Office, said: The new regulations originally had three purposes: to ascertain whether the applicant lives on Taiwan, to avoid errors caused by the duplication of the Identification Card number, and to prevent false reporting in the application process. However, in implementing the regulations, not every applicant is required to submit the household register copy. Only those who are found in the screening process to have made mistakes are required to submit the register copies. [passage omitted]

Actually, the regulations promulgated by the Chinese Communists are very explicit in requiring the applicants to submit the household register copy. However, facing strong displeasure and reaction, the Chinese Communists were forced to correct themselves and interpret the new regulations in a flexible way, saying it was a misunderstanding caused by a lack of clear interpretation. (Huang Wenfang) indicated that the China Travel Service will hold another press conference to reinterpret the relevant provisions.

The above is a report from Taipei and Hong Kong by China Broadcasting Corporation reporter (Wang Xiaolin). [end recording]

The Mainland Affairs Commission of the Executive Yuan, however, pointed out that the above was merely a verbal statement from the Chinese Communists, and because it was not put in writing, it is difficult to know clearly how the Chinese Communists will act in practice. The Mainland Affairs Commission could not comment on the matter as yet. [passage omitted]

Chen Jung-chieh, secretary general of the Strait Exchange Foundation [SEF], pointed out: The SEF welcomes the prompt action taken by the mainland to flexibly change the interpretation of the regulations on the application of the entry and exit permit. However, we hope that the Chinese Communists could take a further step to put the verbal change in writing and amend the regulations to make them more explicit. [passage omitted]

The business sector has reacted strongly to the Chinese Communists' new regulations. The Taipei Association of

Tourist Companies has decided that unless the Chinese Communist authorities delete the provisions requiring Taiwan residents to submit the household register copies and the passport, the tourist companies in Taiwan will stop organizing tours to the mainland, beginning 1 June. The Mainland Affairs Commission also supports the boycott action taken by the tourist companies. [passage omitted]

#### **CNFI To Meet on Mainland Entry Requirements** *OW1804120192 Taipei CNA in English 0800 GMT 18 Apr 92*

[Text] Taipei, April 18 (CNA)—The Chinese National Federation of Industries (CNFI) will mobilize local entrepreneurs with cross-strait investments to press Peking [Beijing] to rescind its new requirements for Taiwan residents intending to visit the mainland, a federation spokesman announced Friday.

CNFI is scheduled to call a meeting next Thursday of officials from seven major industry associations to discuss the details of a joint action plan, the spokesman said.

Peking authorities recently decided to change travel permit application procedures for Taiwan residents intending to visit the mainland. The new procedures take longer to complete and service charges have also been raised. Worse yet, Taiwan residents are required to attach household registers to their applications for travel permits.

The CNFI spokesman said the household register requirement is quite unreasonable since Peking has not demanded people from other countries or areas to produce similar documents.

The new procedures will inconvenience Taiwan businessmen with cross-strait interests as they have to travel to the mainland frequently for business purposes, the spokesman noted.

The CNFI will ask the seven largest industry associations here to mobilize their members, particularly those with mainland interests, to pressure Peking to scrap their new requirements and to further simplify travel permit processing procedures, the spokesman said.

The seven are the electric appliance, shoemaking, umbrella, garment, vehicle, plastics and toy industry associations. Under the guidance of the Ministry of Economic Affairs, all of these organizations have set up special committees to serve their members with mainland interests. A large number of those in each of the seven lines of business have invested on the mainland to cash in on cheap labor there.

The CNFI spokesman said the federation will ask local companies to suspend their cross-strait investment plans or even to close their existing mainland ventures if Peking fails to amend its unreasonable entry requirements.

**Ban on Mainland Newspapers To Continue**

OW1904063592 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 17 Apr 92

[From the "National News Hookup" program]

[Text] Ma Ying-chiu, vice chairman of the Mainland Affairs Commission [MAC], pointed out yesterday: Because mainland newspapers are not able to report what is actually happening, the government does not consider allowing mainland newspapers to be sold in Taiwan without reciprocity from the other side.

Ma explained the government policy when he was asked by Hong Kong students during a meeting with a delegation of 14 Hong Kong college students associations yesterday.

At an informal discussion between the delegation and the MAC, a member of the delegation asked Ma Ying-chiu: Since Taiwan is making plans for reciprocal sale of newspapers between the two sides of the Taiwan Strait, is it possible for Taiwan to follow Hong Kong's example and allow mainland newspapers to be put on sale in Taiwan before Taiwan newspapers are allowed to be sold on the Mainland?

Ma Ying-chiu answered: Mainland newspapers do not report what is truly happening. For example, when the mainland's Hsichang [Xichang] Satellite Launching Station failed to launch the satellite, mainland newspapers reported the incident by only one or two lines. Under such circumstances, the government does not consider allowing mainland newspapers to be put on sale in Taiwan before Taiwan newspapers are allowed to be put on sale in the mainland.

It was learned that the delegation was one of the largest students delegation from Hong Kong. It plans to carry out various friendship activities with Fujen, Chungshan, and other universities.

**Editorial Questions Mainland's Influence**

OW2004142492 Taipei CNA in English 1358 GMT 20 Apr 92

["Editorial" from 20 April EXPRESS NEWS: "Trade and Political Influence"]

[Text] Taipei, April 20 (CNA)—Concerns have been expressed by some people, both in and out of the government, that the increasing economic relations with the Chinese mainland could make Taiwan vulnerable to political influence from the Peking regime. Such concerns are, of course, not totally unwarranted.

There is no denying that if Taiwan's economy should become dependent on the mainland market, Peking could use trade as a weapon to exert political blackmail on Taiwan. Individual businessmen from Taiwan who

have significant trade with, or investments in, the mainland may also be forced, or otherwise induced, by the Peking regime to influence our government's policies to the advantage of the communist regime.

A prime example of this political implication of trade can be found in the recent US debate over the renewal of Red China's most-favored-nation [MFN] trade status, particularly the position of Hong Kong businessmen. Despite their sympathy with the democracy movement on the mainland, the Hong Kong businessmen lobbied in Washington against setting human rights conditions to the MFN extension because of their own business interests on the mainland.

But the political influence of trade and economic relations is a double-edged sword that cuts both ways. While Peking can use trade as a weapon to achieve its political objectives, it also opens itself to foreign political influence that comes with the trade. This is one of the arguments cited by the Bush Administration to support its unconditional extension of Red China's MFN; and a good example of this influence is the changes that have taken place in southern China, in particular Guangdong Province, as a result of increasing foreign investments and foreign trade in that region.

Our businessmen should, of course, be watchful of possible exploitation by Peking as they seek business opportunities there. And it is the duty of our government to warn the businessmen of that exploitation when it sees it. With such cooperation, which will serve the best interest of the people in Taiwan as a whole, there is no need to, as the saying goes, "forsake food for fear of choking."

On the contrary, we should take a more positive approach to the issue of economic relations with the mainland, looking upon it as a means to influence political changes on the mainland. We are confident that our growing economic ties with the mainland will more likely expose the mainland compatriots to the free-market economy, and help them opt for liberalization not only economically but also politically.

**KMT Criticizes DPP for 'Group Violence'**

OW1804115292 Taipei CNA in English 0748 GMT 18 Apr 92

[Text] Taipei, April 18 (CNA)—The Kuomintang (KMT) vehemently denounced Friday the major opposition Democratic Progressive Party (DPP) for using "group violence" against KMT National Assembly members the day earlier.

DPP assemblypersons marched inside the assembly conference hall Thursday, creating a free-for-all which caused the first-ever bloodshed in the assembly. Three members were hospitalized.

The DPP marched to protest KMT attempts to "delay discussing major constitutional amendment proposals" until after April 19, when the DPP will stage a street protest.

KMT spokesman Chu Chi-ying said the DPP behavior at the assembly "fully demonstrates that the DPP lacks a democratic culture."

The KMT caucus at the National Assembly also denounced DPP assemblypersons for "purposely provoking the bleeding incident and paralyzing the meeting."

Thursday's assembly commotion has shamed the whole assembly, angered the people, and frustrated the government which is working hard to reform the constitution, a caucus statement said.

The KMT caucus, however, assured that the doors will always be wide open for negotiations with the DPP and independent assembly members.

The assembly itself adopted a resolution denouncing "those DPP assemblypersons who had perpetrated violence."

The resolution, which also demands "justice be done" to the violence perpetrators, was passed in the absence of the DPP.

#### **DPP Clashes With Police, March Ends Peacefully**

OW2104084292 Taipei CNA in English 0741 GMT  
21 Apr 92

[Text] Taipei, April 21 (CNA)—Opposition Democratic Progressive Party (DPP) National Assembly members clashed violently with police Monday when they tried to break through police cordons in a bid to meet with President Li Teng-hui.

More than 30 DPP assemblypersons led by Huang Hsin-chieh, leader of the DPP caucus at the National Assembly, were told that both President Li and Vice President Li Yuan-zu had tight schedules so they could

not meet them. Claiming that they are "people's deputies" entitled to express the public opinion directly to the president, the DPP deputies, who had quit the Assembly session on Yangmingshan, insisted on going to the presidential office.

"We want to make known to the president our calls for immediately completing constitutional reforms," Huang said.

Their attempts were forcefully blocked by police guarding the "Po-ai special district" in which scores of important government offices are concentrated. Except for the clash near the presidential office, yesterday's DPP march proceeded without any major incidents.

The second-day march began at 2:50 P.M. when over 4,000 DPP supporters and members of a dozen social movement groups departed from the Taipei City stadium. Before they set out, march leader Lin Yi-hsiung, asking participants to abide by the "rules," urged them not to use force, not to believe in rumors, not to carry dangerous articles, and to follow the command of the sponsors.

The marchers chanted slogans calling for a direct vote to elect the president, abolishing the National Assembly, releasing political prisoners and immediately completing constitutional reforms.

When they arrived at the Taipei railway station at 4:45 P.M. most of the entrances to the station were closed, with groups of police standing guard behind the glass doors. A man in his 30s suddenly threw a rock at the West 3 Door, breaking the glass and creating a commotion. The incident was soon quieted by order-maintaining DPP volunteers. The marchers then staged a sit-in around the station, seriously jamming traffic during rush hours. Many commuters complained about the "trouble makers."

Cheng Wen-tien, chief of the Taipei City police's Cheng-chung branch, estimated that only 2,500 marchers participated in the second-day march. The DPP had hoped to attract 30,000.

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